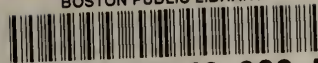


GOVDOC

BOSTON PUBLIC LIBRARY



3 9999 06543 969 5

BRA

4811

Appendix

COPLEY PLACE

Appendix

~~Property of~~
~~BOSTON REDEVELOPMENT AUTHORITY~~
~~Library~~



Copley Place (Back Bay)

B65R.C.

U DAG
app

City of Boston
Kevin H. White Mayor

April 1980



APPENDICES

1. City of Boston, Community Development Block Grant Application, Year V, 1979. excerpts x *Gr*
2. Boston's Comprehensive Economic Development Strategy (CEDS), September, 1978. Vol 1 pp 12-20 y *B*
3. Boston's Comprehensive Economic Development Strategy (CEDS), September, 1978. Vol 4 pp 12-22. x *Sum*

BOSTON

A City of Neighborhoods

Program for Continued Revitalization: 1979-1982

Community Development Block Grant
Neighborhood Capital Improvements

City of Boston · Kevin H. White, Mayor
Office of Program Development

COMMUNITY PROFILE

The City of Boston is fundamentally healthier and following a more positive course than at any time since post-World War II suburbanization began to draw away much of the City's middle-class population and its job base.

A survey of resident attitudes and concerns in 1978 documented an upturn in residents' expectations for the future of Boston, while the financial community has also expressed its confidence in the management and future of the City by raising its rating for Boston's municipal bonds and thus reducing the City's costs for borrowing.

The City's efforts to strengthen its economic base and provide jobs for residents are showing results at the Boston Marine Industrial Park in South Boston and the Crosstown Industrial Park in Roxbury, in the dramatic expansion of downtown office space and in improvements in retail centers such as Quincy Market and Washington Street.

Most neighborhoods are on the rebound, too. In sharp contrast with the 1950's and 1960's, the middle-class is finding Boston's neighborhoods attractive places to remain in, or return to, while upper-income housing is being created closer to downtown. One dramatic indicator of growing neighborhood stability is the strong interest shown in the City's Housing Improvement Program (HIP). By encouraging conspicuous home maintenance at a critical time, HIP helped restore confidence to those neighborhoods concerned about school busing and "white flight." A continuing high demand for that program indicates that more and more residents want to make an economic investment in their homes and neighborhoods.

While Boston is enjoying an economic upswing and many of its neighborhoods are more optimistic about the future, the City remains home to a disproportionate share of the metropolitan area's poor, under-educated, non-English speaking and elderly residents. Boston is thus obliged to provide more health and social services, and more expensive services, than its suburban neighbors. The City must raise revenue for these services from a property tax base which includes an extremely small portion of the land and population of the metropolitan area. At the same time Boston is home to large numbers of tax-exempt institutions which provide services to the metropolitan area and the region, impose service costs on the City and yet provide no revenue.

In 1970, Boston had a high percentage of its residents in public housing. As the massive old-style public housing projects have become increasingly hard to manage effectively within the available income stream, other subsidized housing forms, including Section 8-assisted, mixed-income and elderly oriented developments have been developed which are providing better housing, but the problems of the older developments remain to be solved.

As cities, including Boston, have shifted from manufacturing to service sector economies the types of skills needed have changed and many residents have been at a disadvantage in competing for available jobs. This has been exacerbated by consistently high rates of unemployment in the Northeast region.

Despite a reduced crime rate citywide, neighborhoods with high concentrations of poor residents and transients continue to have high crime rates. Serious physical deterioration is also concentrated in these same neighborhoods.

Finally, neighborhood business districts, many of them developed over fifty years ago, have been hard hit by competition from newer, larger, automobile-oriented centers, a relative decline in the buying power of surrounding neighborhoods and increased security problems. Obsolescence of some of these districts has had a blighting impact on nearby neighborhoods.

In sum, the overall prognosis for the City is good, yet there remain grave problems for some neighborhoods, individuals and groups who have been unable to participate in the improvement of the City, and serious limitations on the resources available to the City to deal with these problems.

CITYWIDE ECONOMIC BASE

The health of the City's neighborhoods is tied to the overall economic health of the City. Any lasting improvement in the city's neighborhoods is linked closely to employment opportunities for residents, the vitality of neighborhood commercial areas and the availability of City resources. This review of the City's economic base looks in particular at these factors.

Service sector -- The service sector has accounted for 90% of the job growth in Boston since 1960. This trend is similar to that in most older cities, where there has been a significant shift from manufacturing to office uses as the most important elements of their economy. In 1977, the service sector accounted for 64% of Boston's jobs, an increase from 57% in 1970.

Among the City's major employers, those with over 500 employees, the vast majority are in finance, real estate, insurance and medicine. Only five manufacturing firms, including the City's two newspapers, employ more than 500 people.

The revitalization of this sector can be most dramatically seen in the doubling of office space within the City. Many new buildings have been completed and older buildings are being rehabilitated. Both are maintaining high occupancy rates in spite of the rapid rate of expansion of space.

Retailing -- Retailing has begun to rebound after suffering from the competition of suburban shopping developments. The revitalization of Boston's primary shopping street with the recent \$35 million up-grading of the Jordan Marsh department store, the development of "The Corner" shopping mall, and the upcoming Lafayette Place development generated by the Quincy Market retail complex, indicate the City's ability to maintain a strong role as a center of regional retail employment.

The rebirth of the downtown retail center has not as yet been matched by a comparable revitalization of the City's neighborhood business districts. Many long-standing neighborhood businesses have closed in recent years--victims of increased competition from suburban malls, greater shopping mobility, the reduction in consumer purchasing power within some neighborhoods and the growing costs of conducting business in an urban setting. Consumer surveys show a marked tendency to go downtown and to suburban malls for clothing and major household expenditures. Convenience shopping--food, drugs, and services--offer a more logical retail base for neighborhood business districts; yet the major chains that have traditionally operated in these settings have shown an inability to respond to market changes. Closings by these companies have left a large gap that could be profitably filled by new businesses, provided they can adapt to market demands and available commercial properties, can competitively merchandise and can minimize overhead costs. The challenge to the City is to determine what financial incentives and support services are needed to encourage both individual entrepreneurs and large chains to consider the opportunities in Boston's neighborhoods.

Manufacturing -- In the post-World War II relocation of manufacturing firms to lower-cost sites in the suburbs and the southern states, the city of Boston lost half of its industrial base. A total of 53,000 manufacturing jobs left the City. The City has been working to stabilize and reverse this trend and between 1976 and 1977 a gain of 4,200 manufacturing jobs was finally recorded. The City's Economic Development and Industrial Corporation is working to continue this growth by developing industrial parks in Dorchester, South Boston and Roxbury and by supporting existing business. In particular, Roxbury's new forty-acre Crosstown Industrial Park has attracted the Digital Equipment Company as its first tenant.

Jobs for Residents -- The New England region has experienced unemployment levels 15-20% above the national average in recent years. Boston, with its higher concentration of economically disadvantaged residents, has had an unemployment rate twice the national average. The employment picture of Boston residents has recently improved, however, with unemployment dropping by 50%-- from a high of 12.7% in 1970 to 6.3% December 1978.

The shift in the primary role of the City from a manufacturing to a service center has disadvantaged many residents--both those trained in manufacturing skills and others without the educational and language skills to compete effectively for jobs in the growing service sectors. While Boston has clearly gained strength as an economic center, 62% of its jobs were being held by non-residents in 1977.

Municipal Revenue -- Boston is reasserting its pre-eminence as the regional center of New England. Its airport is the world's eighth busiest. Quincy Market attracts twelve million visitors per year. The City is a national center for medicine, education and religion. But because Boston is the only large U.S. city with no major revenue source other than the property tax, it has had difficulty benefiting financially from its success. Boston raises 70% of all its revenue from the property tax (\$512 per capita in 1975 versus \$401 per capita for New York). Sales and income taxes paid to the Commonwealth of Massachusetts by Quincy Market's successful new businesses amount to ten times the property taxes paid to the City. The growing service sector economy results in much less taxable property per employee than the old manufacturing-based economy. Furthermore, while State, Federal, medical and educational facilities contribute to the employment base, and to Commonwealth revenue sources, they pay no property tax to Boston. Indeed, over fifty-five per cent of Boston's land area is tax exempt.

Boston's revenue-raising ability is further limited by its extremely small share of the SMSA's land area and population and its disproportionately high share of the area's low-income population. Suburban towns, which have kept down their costs by excluding low-income residents, vie effectively for the property tax dollars and jobs of Boston's businesses.

Boston, therefore, remains extremely dependent on the decisions of the State and federal government for the resources to meet the needs of its residents.

POPULATION CHARACTERISTICS

As with many older northern cities, Boston experienced a significant population loss between 1950 and 1970. The City lost twenty-nine per cent of its white population with the non-white population increasing its share of the total from five to eighteen per cent. While post-1970 U.S. census data is not highly reliable, especially in reflecting more recent changes, it appears that both population decline and racial change have slowed down or stabilized. The most recent population count estimates a total population of 637,000 with a breakdown of 73% white and 27% non-white residents.

The national trend toward greater numbers of smaller households, consisting of primarily of young, childless couples, individuals and elderly residents, suggests that the actual number of households may be even more stable than the total population and perhaps rising. Evidence of this locally is perhaps best reflected in recent new construction patterns. Since 1970, an estimated 18,885 units have been built or completely rehabilitated while 10,374 units have been demolished. In particular, over 3,000 units of housing for elderly have been built since 1975.

Several elements of Boston's population are worth noting:

Hispanic population -- While the minority population in general appears to have been stabilizing, there have been increases in the Hispanic population. Their concentration in a limited number of neighborhoods has generated problems typically associated with new immigrant groups -- a language barrier, higher unemployment, fewer job skills and greater demands on social services.

Elderly population -- The City has a disproportionate share of the SMSA's elderly population. National demographic trends suggest that this share will continue to increase. Having more people in the "elderly" category than ever before has serious implications for future elderly service demands. Furthermore, as with other people on fixed incomes, Boston's elderly have been burdened with escalating housing costs and, given anticipated fuel cost increases, it is reasonable to assume that elderly housing costs will become an even more serious issue in the near future.

Transient population -- A critical component of Boston's total population is a large proportion of transients, primarily students attending the metropolitan area's many academic institutions. Concentrated in a few selected neighborhoods, they have little interest themselves in the maintenance of these neighborhoods, and more importantly, create a tight, high-turnover rental market which has resulted in poor maintenance even at high rent levels, and often higher crime rates.

Low-income population -- The final and perhaps most important observation to make about Boston's population is its income mix. As has been noted already, the shift toward a service sector economy has generated a massive increase in white-collar employment. These new jobs are held primarily by suburban residents, but they have also attracted to Boston a large and growing number of persons who have, in turn, opted to settle in the City itself. This influx of middle-income people both buying and renting in Boston's neighborhoods has begun to redress the serious income imbalance among Boston's residents.

Nevertheless, the City is still home to a disproportionate share of the metropolitan area's lower-income population. It is common for lower-income groups to congregate primarily in central cities. However in Boston where the City per se constitutes such a small porportion of the SMSA, over seventy-five per cent of all households have incomes below the SMSA median; with 20% of the SMSA population, Boston houses 40% of the families below the poverty level. By housing an inordinate share of the metropolitan poor, under-educated, non-English speaking, elderly and minority residents, Boston is obliged to provide more services, and more expensive services, than its suburban neighbors. The City must raise revenue for these services from a property tax base which constitutes a disproportionately small portion of the land area and population of the metropolitan area.

PHYSICAL CONDITIONS

Housing Stock -- The profile of Boston's housing stock that emerges from the 1970 Census is primarily one dominated by older, two- and three-unit structures, with 232,228 housing units in 81,293 separate structures. Seventy-seven per cent of the City's housing units were more than thirty years old in 1970, and a good portion of these were built before the turn of the century. A field survey in 1973, indicated that 70% of Boston's housing stock was in good condition, requiring only modest fix-up. One-fourth of the stock, though, needed considerable fix-up. An additional 4% required gut rehabilitation and 1% demolition.

Abandonment -- Boston continues to experience a substantial loss of housing stock through fires and abandonment and, as a result, must demolish approximately 350 structures each year. This problem has been reduced in some neighborhoods, but remains serious in others. Wood-frame, three-family homes--often owner-occupied--are particularly susceptible in a number of low-income neighborhoods, and often require demolition. Larger, investor-owned brick apartment buildings also remain a problem in some areas, although they often remain as shells which can be rehabilitated.

Re-investment -- New construction has been primarily the result of Section 8 assistance and financing through the Massachusetts Housing Finance Authority, with 1,041 units started each year, 220 in long-abandoned residential buildings, and the balance in new or converted buildings. Only in a few high-income areas, primarily near the downtown area, are the costs of new construction supportable by the income of potential residents. New construction and conversion of non-residential buildings resulted in the start of 153 new units for sale as condominiums and 130 units for rental last year. Many existing rental units are being converted to condominiums, resulting in substantial investment in improved housing conditions, but no addition to the total housing stock.

In a mature city like Boston, the often unnoticed and unrecorded improvements which are made in annual maintenance of the existing housing stock are generally greater in total dollars invested and more significant than individual new construction projects. The appearance of most neighborhoods has reflected these increased investments over the past few years. The continuing strong demand for the Housing Improvement Program, which supports homeimprovement by low- and moderate-income homeowners, also indicates the strength of residents' desire to invest in many neighborhoods.

Public facilities -- Over the past fifteen years the City of Boston has made an enormous investment in public facilities. Both renovation and new construction have reduced considerably the deterioration and neglect those facilities suffered in the 1940's and 1950's. Initially concentrated downtown, the investment in all types of public facilities has for the past eight years been focused almost exclusively in the City's neighborhoods.

Schools -- The school replacement program perhaps best exemplifies the City's recent investments. Over twenty new schools have been built, many others modernized, and with the completion next year of the "Occupational Resource Center," a vast vocational training facility with city-wide enrollment, the City will have substantially completed its long-range school construction program. Many of the new schools have dual roles: offering regular school sessions during the day, serving as community centers at night.

Other public buildings -- Health centers, libraries, fire houses and police stations have also undergone extensive improvements through a major program of new construction or modernization.

Parks -- Boston contains some of the country's most famous and successful urban parks. However, it has been difficult for the City to provide needed periodic capital investments to maintain these parks in satisfactory conditions. The financial demands of the school construction program now over, it is reasonable to expect some increase in parks appropriations. Not only will this facilitate improvement of existing areas but it will also enable the City to acquire selectively small natural areas in those neighborhoods lacking recreational space.

Basic infrastructure -- Boston still has largely antiquated water and sewer systems, both of which fail frequently. Assisted by large infusions of federal money, the City has upgraded systems in urban renewal areas. These improvements, however, are over-shadowed by the enormity of the volume of work still required in most parts of the City. With the recent creation of the Boston Water and Sewer Commission (a financially autonomous agency with separate bonding authority), the City is expanding its capacity to make such improvements. The quality of the remainder of the city's basic infrastructure--roads, sidewalks and lighting--varies by neighborhoods. While considerable progress has already been made, the extensive improvements still to be done entail more capital investment and construction activity than the City alone can finance or easily manage. Programs like Local Public Works have accelerated the progress, but continued assistance from State and Federal sources is crucial to the City's ability to maintain a satisfactory infrastructure rehabilitation program.

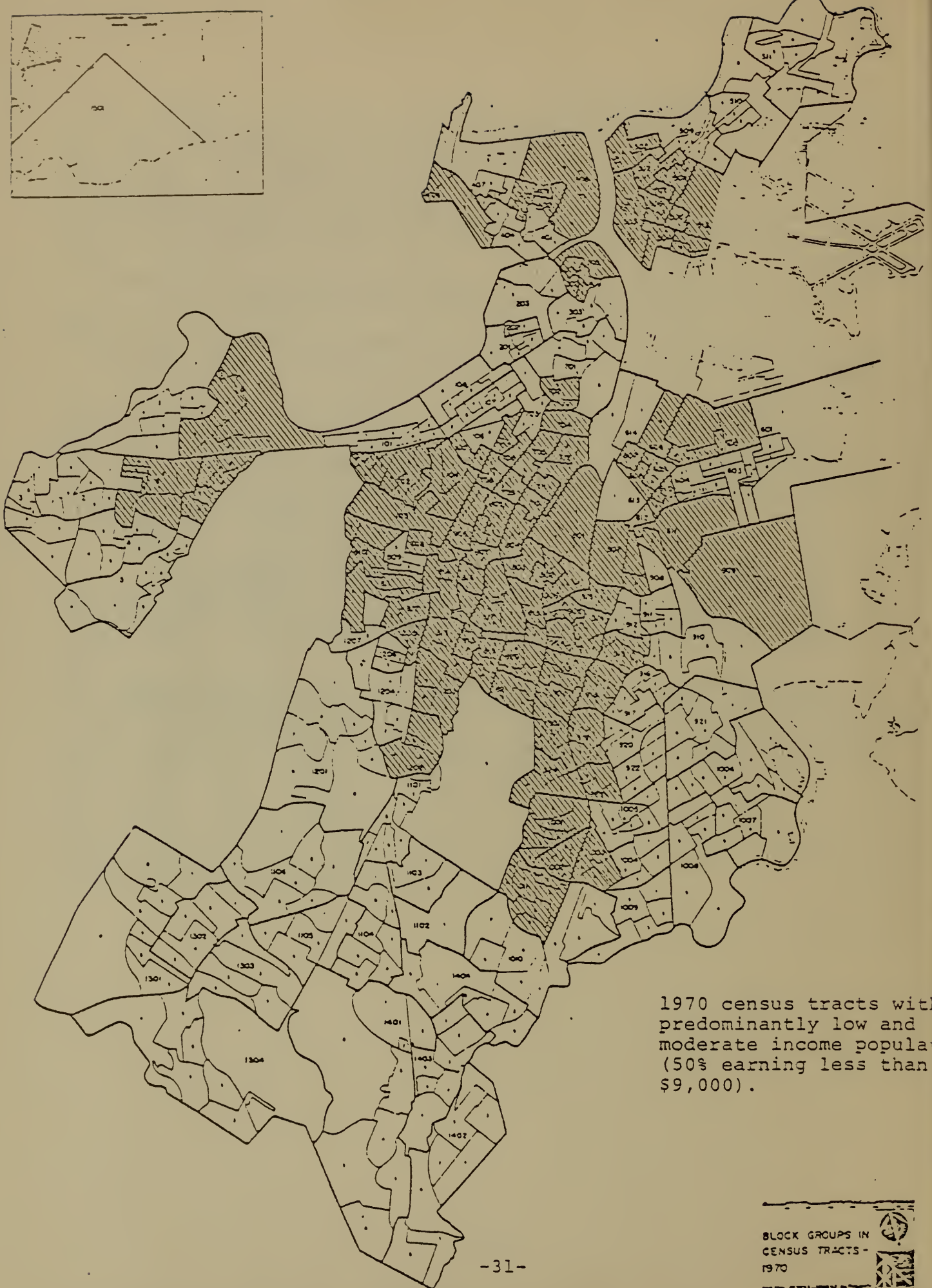
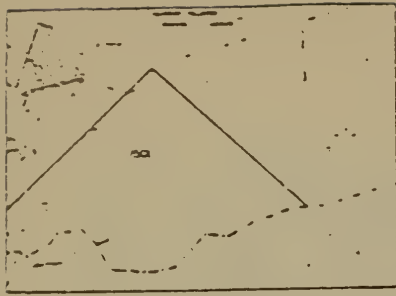
NEIGHBORHOOD CONFIDENCE

The health of the City and its neighborhoods is not dependent simply upon the economic climate and the actions of government. Indeed, a community development program can be no more successful than the residents of the neighborhoods make it. Public sector actions and expenditures can only hope to address successfully the serious problems which exist within the City if the majority of residents have confidence in the future of their community and are willing to invest their own time and money in maintaining their homes, supporting neighborhood organizations and generally strengthening their community as a place to live.

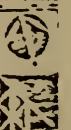
Boston, more than many cities, is characterized by a strong sense of small neighborhoods. An attitudinal survey conducted in 1978 concluded that:

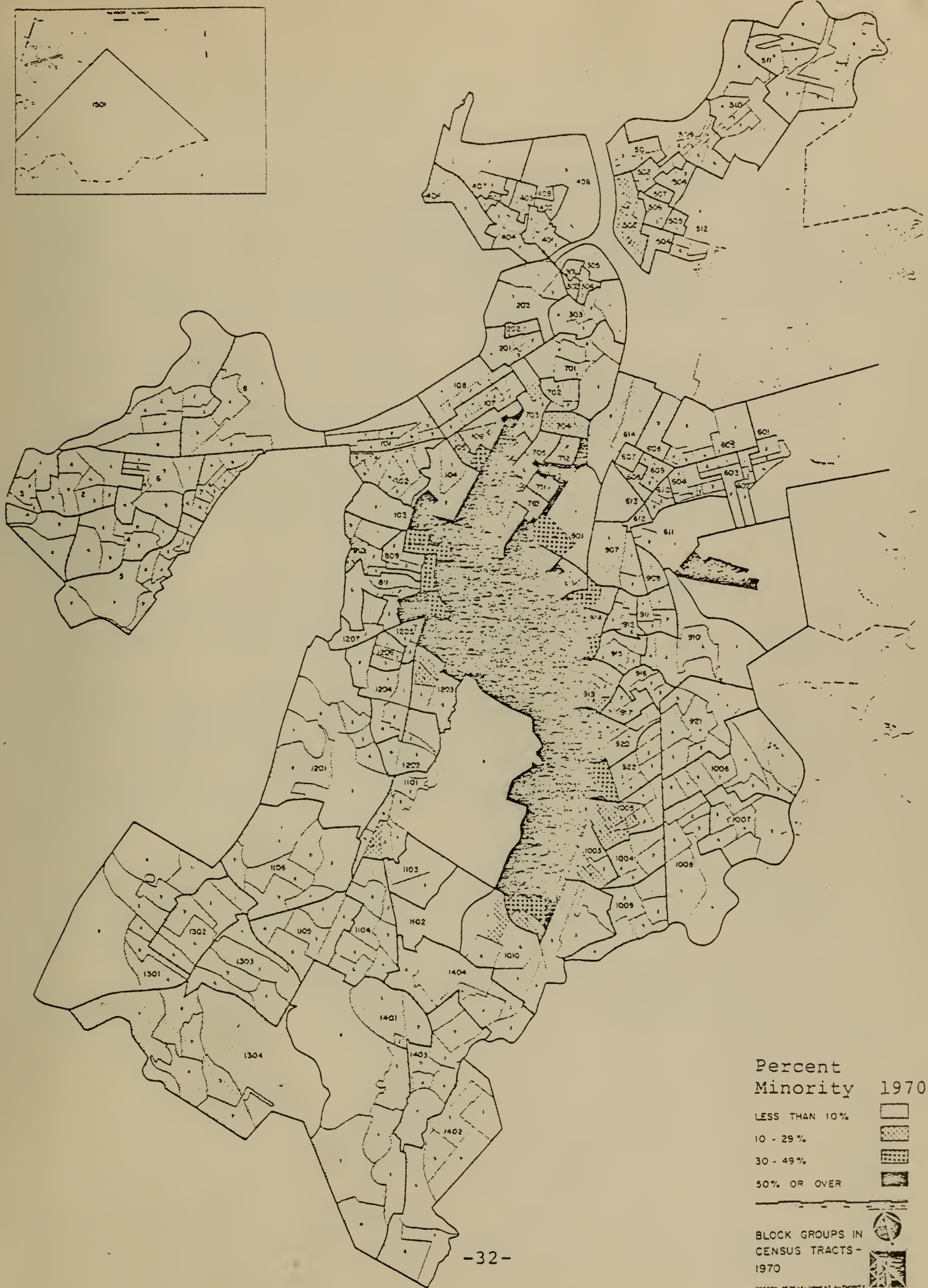
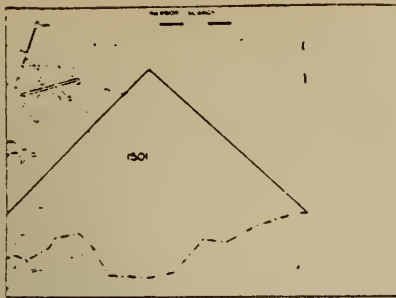
"An important key to the increased levels of optimism in the minds of today's Boston residents is their commitment to the future of their neighborhoods. Bostonians rate conditions in their own neighborhoods today more favorably than conditions in the City as a whole, and look to even greater improvement in neighborhood conditions during the next three years. As was observed in 1977, they continue to express greater pride in their own neighborhoods than the entity they call the City --and faced with the possibility of upward social mobility through a change of residence in the near future, a relatively high proportion of Boston residents would prefer to remain in their present neighborhood, rather than move to another part of the City or outside of the City proper."

This growing confidence in the neighborhoods offers the opportunity to make more progress toward solving serious problems than was possible when post-war suburbanization and racial polarization were causing uncertainty about the future of the City and causing the private sector to withhold investment in City neighborhoods.



1970 census tracts with
predominantly low and
moderate income populatio
(50% earning less than
\$9,000).

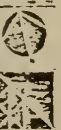




Percent
Minority 1970

LESS THAN 10%	
10 - 29%	
30 - 49%	
50% OR OVER	

BLOCK GROUPS IN
CENSUS TRACTS -
1970



COMMUNITYWIDE HOUSING NEEDS

According to 1977 and 1978 statistics, 73% of Boston's homeowners are within the low and moderate income range. The Housing Improvement Program (HIP) has since its inception addressed the repair and maintenance needs of many of these homeowners, including the elderly, minorities and women, as evidenced by the rehabilitation of over 25% of the eligible owner-occupied structures in the City. Notwithstanding this success, HIP has not been able to reach a significant number of those lowest income homeowners who cannot afford conventional financing.

Over 60% of the city's renters in 1974 were of low or moderate income. Indirectly, HIP has provided improved living conditions for those renter households in 2 to 6 family owner-occupied structures. Other CDBG-funded programs directed at owner-occupied housing also have had important spin-off benefits for renters.

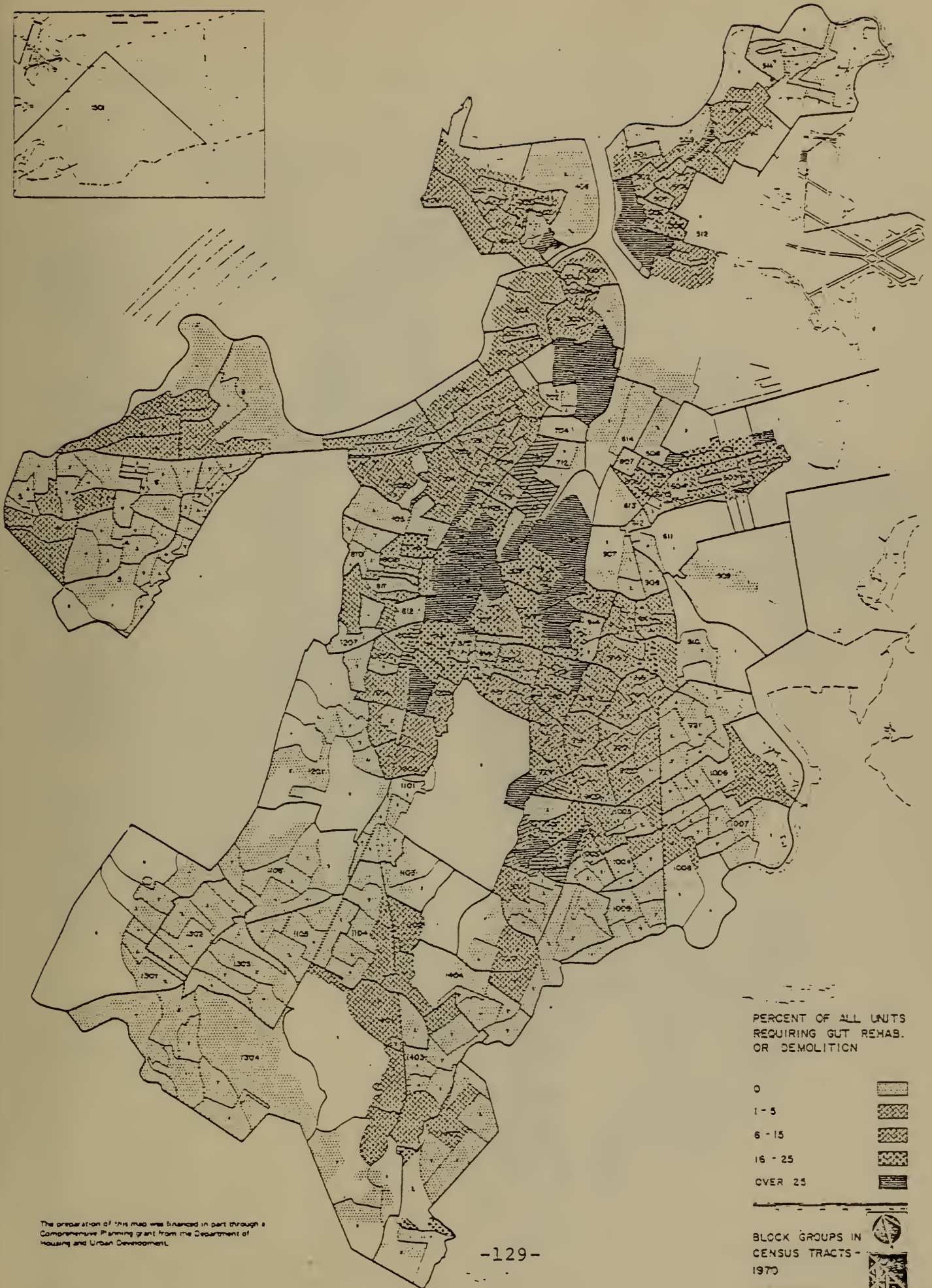
Tenants in many large investor-owner structures still require some form of assistance but the interface between financing, management, code enforcement and rent levels poses a complex set of issues not readily addressed.

Approximately 10% of Boston's population resides in public housing. For the most part, this stock is rapidly deteriorating while available federal and state modernization funds are diminishing. Boston has traditionally allocated 10% of CDBG allocation to both family and elderly developments.

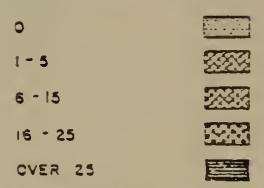
The threat of displacement of lower income residents by new higher income households has arisen within the context of neighborhood revitalization. The City is sensitive to these issues and has tried to strike a balance between revitalization and the stabilization of neighborhood housing markets. The City is committed to the objective of enabling low and moderate income homeowners to remain in their homes and simultaneously to maintain and upgrade them.

The need to relieve the spatial concentration of minority and low income groups within the city calls for an aggressive fair housing program consisting of information dissemination, counseling, complaint investigation, community relations and affirmative marketing.

A related issue, the need to provide economically and racially integrated assisted housing, is metropolitan in nature and clearly calls for a regional solution.

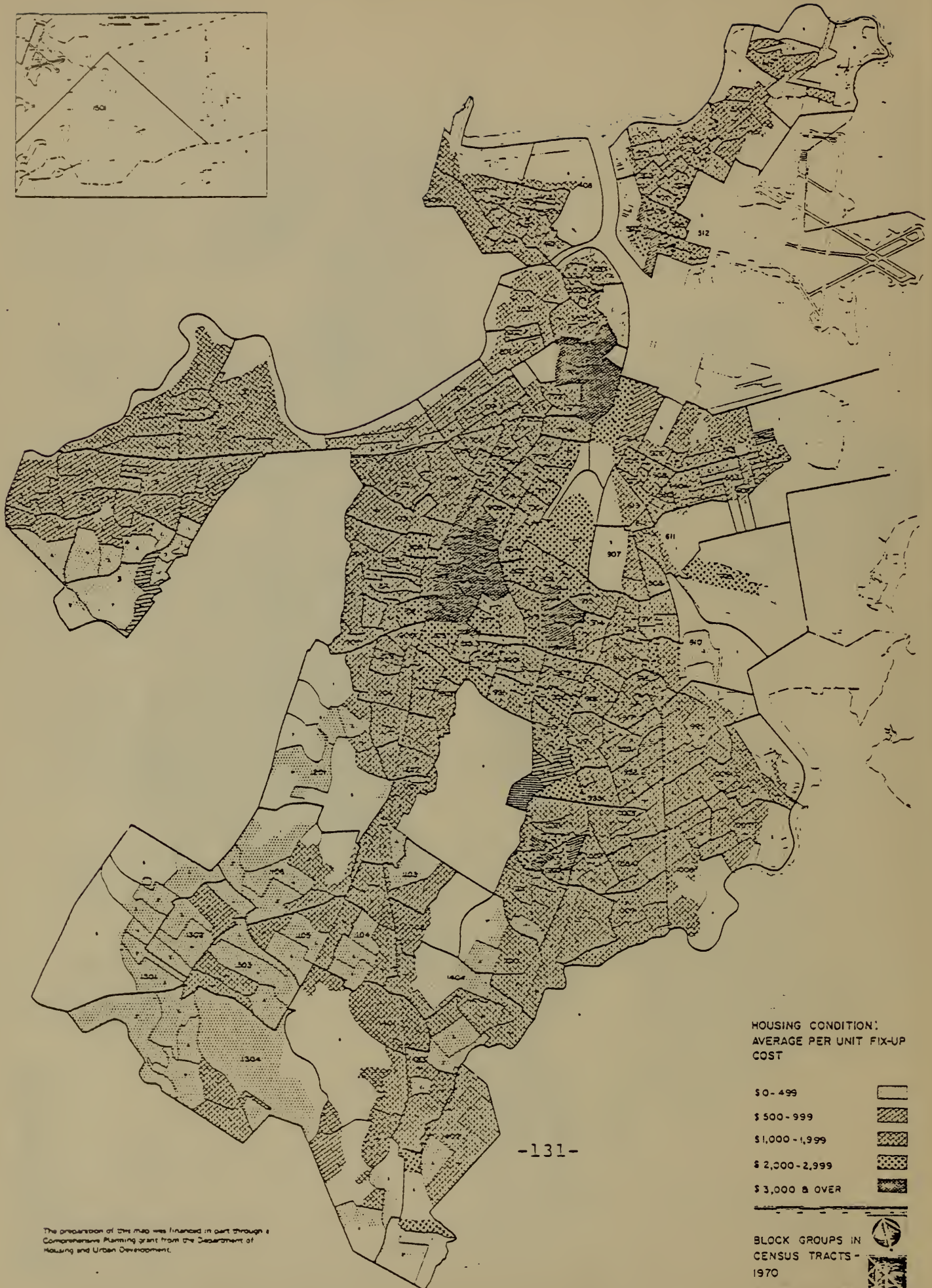


PERCENT OF ALL UNITS
REQUIRING GUT REHAB.
OR DEMOLITION



BLOCK GROUPS IN
CENSUS TRACTS -
1970

The preparation of this map was financed in part through a
Comprehensive Planning grant from the Department of
Housing and Urban Development.



-131-

HOUSING CONDITION:
AVERAGE PER UNIT FIX-UP
COST

\$0 - 499	
\$500 - 999	
\$1,000 - 1,999	
\$2,000 - 2,999	
\$3,000 & OVER	

BLOCK GROUPS IN
CENSUS TRACTS -
1970

BOSTON REDEVELOPMENT AUTHORITY

The preparation of this map was financed in part through a
Comprehensive Planning grant from the Department of
Housing and Urban Development.

COMMUNITYWIDE PUBLIC FACILITY AND IMPROVEMENT NEEDS

Boston has three major facilities that serve the city population as a whole: City Hospital, the main downtown branch of the city library system and the Occupational Resource Center -- a vocational high school, which upon completion will offer enrollment to students from throughout the city.

In addition, the city is now developing plans for a centrally located elderly center open to all senior citizens. The center will combine the resources and activities of several programs currently run at scattered locations. It will thereby achieve a more comprehensive and more efficiently operated program of services for the elderly.

Beyond these special purpose citywide facilities, every city neighborhood has basic infrastructure needs which the city seeks to address through its annual capital improvement program: public works improvements, traffic signalization, rehabilitation of parks and playgrounds, and renovations to other municipal facilities.

Public Works

Highest priorities in virtually every neighborhood are for improved residential street lighting and replacement of old water and sewer systems. The City's Public Works Department and the newly created Water and Sewer Commission are making a concerted effort to address these needs.

In recent years the demand for improved street lighting has often been greatest in areas of the city whose lighting systems are still owned and controlled by Boston Edison, the local electric utility company. The City will eventually take over the lighting on such streets but can do so only gradually; it must rely on Boston Edison for interim upgrading.

Within the city limits there are some 780 miles of streets that should receive regular attention. Based on an average "life-expectancy" of 50 years (given periodic resurfacing), an ideal program of street/sidewalk maintenance in the city would call for reconstruction every year of some 40 miles of streets. In recent years, however, the City has been financially able to undertake only 15 to 18 (with State and Federal assistance). Here the City faces a critical need which it cannot meet with its own present resources.

Parks and Recreation Facilities

Most Boston neighborhoods are fortunate in the variety of park facilities available to serve their different age groups. The City's greatest concern is therefore with the care and rehabilitation of existing facilities rather than the development of any new parks. Given financial limitations, the capital improvements program for parks must be extremely selective, targeting specific projects in conjunction with other neighborhood investments and enlisting the cooperation of neighborhood organizations in the care and maintenance of these facilities.

Other Municipal Facilities

Over the past 12 years the City has replaced or modernized virtually all of its other municipal facilities--police and fire stations, branch libraries and local neighborhood municipal buildings. Current planning calls for replacement of or substantial renovation to one or two fire and police stations each year. The 10-15 year old master plan for the library system is virtually complete with replacement of two existing branches scheduled this year. Neighborhood municipal buildings--which accommodate youth and elderly activities as well as branch offices for city services--require periodic modifications for specific programs but substantial renovation only once every 10 to 15 years.

Traffic Control & Signalization Improvements

Thanks largely to the provisions of the jointly funded (state/federal) Urban Systems Program, the city has been able to undertake a continuing program of traffic control improvements to many of its major streets and business districts. The City has been increasingly successful at coordinating these improvements with other related projects: clearance of land for new economic development, new recreational amenities, special business district loan programs and the like. However, the current level of outside funding assistance is extremely critical to the City's ability to meet these needs.

ECONOMIC DEVELOPMENT NEEDS

Better Job Fit

The City's transformation to a services economy has generated an increasing flow of professional and technical skill-demand jobs, more readily captured by the suburban labor force than the central city.

Boston's residents have fewer skills than suburban residents. While over 62% of the City's jobs are in the expanding white-collar occupations, only 54% of the City's workers have these occupational skills. Overall, the City's labor force has captured an increasing share of the professional and clerical occupations, but there remains a comparative deficit of Bostonians experienced in managerial/administrative work and the skilled trades. There is a surplus of Boston labor force experienced in low-grade service and less skilled manual work.

The structural imbalance is more severe for the City's minority work force, which accounts for 15% of all city workers. With over 27% of City jobs in the professional/managerial occupations, only 14% of the employed non-white male residents were engaged in these occupations. This compares with 23% of the City's white males, and over 35% of the suburban males.

There is, therefore, the need to better equip unskilled residents to take advantage of newly generated service sector jobs through increased job training and improved job matching and referral services.

There is also a need to accelerate efforts to produce new manufacturing and other jobs which will be accessible to unemployed and underemployed City residents.

Site Availability and Costs

Major private development in Boston's inner city is severely handicapped by the noncompetitive costs of land clearance, assembly and infrastructure improvements, when compared to suburban sites. The problem is typical of older urban areas and is only exacerbated by the comparative regional disadvantages in factor costs faced by industry throughout the New England region. Principle disadvantages are in the areas of transportation, energy and property taxes.

There is, therefore, the continuing need to identify methods for subsidizing private development costs, utilizing such means as federal UDAG and EDA grants, tax-free revenue bond issues, loans, and use of the city's capital budget to absorb infrastructure costs.

Knowledge of site availability is another key element in the range of economic development variables. A computerized data file of available industrial sites city-wide is required. This would allow the matching of expansion or relocation needs of firms with appropriate sites and provide a basis for developing future investment strategies by site.

The revival of the city's real estate market, including the construction of much new office space, has led to increased vacancies in older downtown office buildings. Recycling incentives for these buildings should be explored, with particular emphasis on the incentives to develop incubation space for new firms and economically integrated quality housing.

High Technology Capital Needs

High technology is one area of major industrial potential in Boston and the surrounding region. Production of high technology instruments in the medical, scientific and engineering fields reflects the city's successful role as incubator for new technology firms. Unfortunately, the capital requirements peculiar to their stage of industrial growth hampers their job creation potential.

The particular capital needs of young high technology firms is a capital market problem national in scope and will not be resolved by local efforts. However, recent availability of capital to the Massachusetts Technology Development Corporation and the Community Development Finance Corporation increase prospects for successful expansion of the City's dynamic high technology base. City agencies such as the Economic Development Industrial Corporation (EDIC), the Boston Redevelopment Authority (BRA), and EEPA can make referrals to appropriate capital sources.

Cost of Living

One of the critical economic development issues facing low and moderate income people is the high cost of essential goods and services, such as food, utilities, housing and health services--those commodities, unfortunately, which are most subject to inflationary pressure. Because the private sector alone may not be able to adequately address these needs, special attention should be directed towards innovative ways of ensuring the most efficient use and conservation of neighborhood-level resources often overlooked by private businesses.

Effective neighborhood self-help efforts have, in Boston and other cities, begun to have a significant impact on the general quality of life, especially in those neighborhoods with large numbers of low-and-moderate income people. Activities range from housing rehabilitation and new construction to start-up of neighborhood-based businesses or projects that can assist to decrease the cost of purchasing an adequate standard of living. The existence of some 20 community-based development organizations (CBDOs) across the city provides an opportunity for the city to move forward in this direction. An assessment of how the city can facilitate appropriate neighborhood-based development and how it can integrate CBDO planning and development into the city's overall neighborhood-revitalization and economic development efforts, would be an important step.

COMMERCIAL DEVELOPMENT NEEDS

Though continuing to offer a unique blend of modern retailing and old-fashioned service, Boston's neighborhood business districts still have a distance to go in meeting all the shopping needs of nearby residents. In some sections of the city, only a fraction of the shopping dollar is spent in the traditional neighborhood shopping area, the balance going to suburban malls, new city shopping facilities, and downtown. The consequential loss to the neighborhood and the city in jobs, tax revenues, shopping convenience, and property upkeep is substantial.

To strengthen the neighborhood business districts, a number of needs must be met:

LONG TERM FINANCING FOR BUSINESS INVESTMENT

In many parts of the city, businesses have difficulty in obtaining long-term financing for property acquisition and rehabilitation. Consequently, investment plans are shelved, or high interest costs and obligatory short-term borrowing strain business finances.

IMPROVED CUSTOMER SECURITY

In some areas the threat of crime causes those residents with the mobility to shop elsewhere to do so. This reduces the purchasing power available to merchants and makes it difficult to attract and hold businesses serving high income households.

IMPROVED BUSINESS SECURITY

Incidences of vandalism, robbery, and breaking and entering are among problems which tend to limit new investment by businesses. These crimes also make insurance difficult and costly to obtain, increasing the cost of doing business (costs which must ultimately be passed on the consumer in the form of higher prices).

INCREASED RANGE OF SHOPPERS GOODS

Like other cities, Boston has suffered from the post-war trend for major general merchandise retailers to vacate older business districts in favor of new malls and suburban strips. As a result residents of some neighborhoods are poorly served for purchase of clothing, home furnishings, and other shoppers goods, as residents are forced to go outside the neighborhood to find these items in any variety.

CONVENIENCE SHOPPING

Major food and drug chains have found it increasingly unattractive to maintain urban neighborhood operations because of high operating costs, increased security expenses, and lower demand for high-margin merchandise. Several areas have been impacted by this disinvestment trend and are currently in serious need of additional grocery and drug stores.

MORE PARKING

Business districts developed before the automobile's popularization frequently have limited parking facilities and are not competitive with parking available at suburban shopping locations.

IMPROVED STOREFRONTS

Unlike shopping centers, where shopfronts are subject to strict design controls, business district facades often reflect a hodge-podge of styles, ages, materials, colors, tastes, and sign sizes. The need for coordinated storefront improvements continues to be substantial.

SPACE FOR NEW DEVELOPMENT

Despite significant demand for additional retail facilities there is often little or no vacant real estate on which to accommodate them. If new businesses are to be brought in, it will require new, creative approaches to rehabilitation and reuse of existing structures.

IMPROVED IMAGE

The "image" factor in retailing has worked against older business districts. New shopping centers are aggressively promoted, contain heavily advertised businesses, and have design amenities which, superficially at least, make them more attractive than business districts.

IMPROVED MERCHANDISING TECHNIQUES

Many neighborhood businesses have suffered over the years from unattractive window displays, poor layout of merchandise and unsophisticated purchasing. There is a need for technical assistance on merchandising and management techniques.

HUMAN SERVICES AND SPECIAL NEEDS OF LOW INCOME RESIDENTS

The delivery of human services at the neighborhood level is an increasingly important need for both low and moderate income residents and for the stability of the neighborhoods. Quality of life is an integral part of neighborhood development and it is important to all residents that those with special needs in their neighborhoods receive the necessary services. Health care, day care for children and recreation are beyond the means of many City residents, particularly in areas needing concentrated investments.

New Non-English Speaking Residents

Boston will continue to experience an in-migration of low income residents who are not fluent in English. This includes Hispanic, Chinese, Cape Verdean and Russian speaking groups primarily. Their lack of fluency in English creates a special need to ensure that they have access to English language training and to the full range of programs and services available to other low income people. Many of these residents can be expected to reside in neighborhoods where they will have the support of an existing community of people who speak their native language. For this reason the City will continue to encourage neighborhood based programs, including Little City Halls and non-profit community groups, which meet the special needs of the non-english speaking communities. In addition, information about specific public programs in housing, employment, business development and human services will be made available through bi-lingual personnel and publications within each program.

Unemployed Minority Males

There is a disproportionately high rate of unemployment among minority male residents, both adult and teenagers. To support the development of neighborhoods where such unemployment is high, it is necessary to provide both an increased number of entry level jobs within, or with easy access to, these neighborhoods, and to provide increased training in higher job skills for which there is existing demand. Support of business districts within the neighborhoods through programs such as the Codman Square CDC, provision of a commercial development planner for Franklin Field or the implementation of a business district promotional program for Dudley Terminal will develop more jobs available to minority males. Other programs such as the Roberto Clemente training program in electrical and plumbing trades will provide skills in high paying jobs for which there is a great demand.

Inexperienced Low Income Homeowners

There are many solid opportunities for low-income homeownership in Boston. This presents both an opportunity and a problem. In the past many low-income, first-time homebuyers have seen their investment and work lost, in part because they lacked skills of experienced homeowners. Owner occupied homes which developed more problems than the new owners could handle deteriorated and were abandoned.

This created problems for tenants in the buildings and for whole neighborhoods. There is a need for counseling to help low income residents take advantage of homeownership opportunities as well as assist the new owner to budget and get the most for the home maintenance dollars needed to preserve the housing stock. The intricacies of lead paint removal, tenant-landlord relations and public housing assistance programs can all create problems for the inexperienced owner without some technical assistance. Counseling through the Housing Improvement Program or through interest reduction and high risk loan programs in Roxbury, Dorchester and Mission Hill will meet these needs.

Single-Parent Families

Higher rates of divorce and of unmarried parents are creating serious economic problems for low income parents. Inflation has forced many mothers to seek full or part-time employment. Both of these trends have created an increased need for child care and child development services which enable parents to remain or become employed and self-supporting. The City will continue to support non-profit community groups which are trying to meet these needs of the low and moderate income residents.

Elderly

The elderly population of the City includes a growing number who find themselves slipping into lower income status as they grow older. Most prefer to remain in the familiar surroundings of their neighborhoods, but encounter problems of mobility, appropriate housing, safety, socialization, health care and nutrition. Meeting these needs is an important part of the development program in most neighborhoods.

Youth

Problems of the youth population in many neighborhoods contribute to neighborhood deterioration. These problems take the form of vandalism, drug and alcohol abuse and intimidation of older residents. Particularly in low income neighborhoods, parents do not have the resources for either treatment of problems or the provision of positive activities and these two approaches must be supported by the public sector both directly and in cooperation with neighborhood non-profit groups.

Health Care

The availability of quality health care in the neighborhoods suffered due to a drastic decline in the number of private physicians practicing in urban areas. The growth of neighborhood health centers has enabled people to once again receive quality health care at reasonable cost in their neighborhoods.

This remains an important need for low-income elderly who may be unable or afraid to travel long distances for medical care. Non-English speaking residents are more likely to receive care in neighborhood centers which provide services in Chinese and Spanish. The City has supported the establishment of these centers to meet the needs of low income, elderly and non-english speaking residents and to support the general development of the neighborhoods, and will continue to do so on the future.

COMMUNITYWIDE FACILITIES STRATEGY

With the completion of a massive school construction program which included the citywide Occupational Resource Center, the City is now emerging from an approximately 12-year period which saw substantial investment in citywide facilities, including the development of the downtown Government Center. Renovations at the City/County Jail, continuing modernization at Boston City Hospital and the anticipated development of a citywide center for the elderly will now represent the greatest financing requirements for communitywide facilities.

Plans for the development of a City elderly center will depend upon successful arrangements with a local senior care organization experienced in providing services to the elderly and capable of assuming responsibility for the use of a building owned and constructed by the City. A variety of programs would be carried out to meet the full scope of elderly needs: social, recreational, nutritional and educational.

Because a significant percentage of the City's elderly population lacks the mobility to easily take advantage of these opportunities, the organization designated to run the center will play a key role in providing transportation for center patrons.

To develop the center the City would rely primarily on its own capital financing.

As it gradually moves away from large-scale citywide facilities, the City is able to concentrate more on local, neighborhood projects and a general effort to promote neighborhood confidence and stability. In the realm of capital improvements, this emphasis takes the form of closer consultation with neighborhood organizations in the improvement of any local City-owned facility. In a continuing program to modernize various local community centers, for example, the City's Public Facilities Department plans any renovations with a view to assisting human services activities (such as an after-school swimming program or an elderly hot lunch program) that take place in those facilities.

The renewed focus on neighborhoods also means a greater investment in local infrastructure: street lighting, sidewalks and street reconstruction and water and sewer improvements (the latter financed separately by the City's Water and Sewer Commission). While the needs and specific improvements vary by neighborhood, the Public Works program is financed and administered as a community-wide program. Similarly, now possible is an increased investment in local recreational facilities, carried out on a citywide basis by the Parks and Recreation Department.

The Handicapped

As a first step to increasing opportunities for the handicapped, Community Development Block grants for the removal of architectural barriers have been made to two of the largest institutions serving the handicapped in Boston. These two grants supplement seven neighborhood programs designed to meet the needs of Boston's handicapped individuals.

For the foreseeable future, the City expects to finance most capital improvements under its own municipal bonding authority. Plans for the capital improvement program include annual expenditures in the \$55 to 60 million range. Of this amount it is felt that roughly \$30-35 million could be characterized as investment in "neighborhood improvements" (such as a downtown parking garage or site development at the Charlestown Navy Yard).

While generally financed separately from the CDBG program, neighborhood capital improvements are proposed, evaluated and carried out in the context of the CDBG planning and implementation process. In developing strategies to strengthen neighborhood business districts, for example, the City's Office of Program Development works closely with the City's construction agencies to achieve a comprehensive investment effort.

ECONOMIC DEVELOPMENT STRATEGY

ECONOMIC DEVELOPMENT

The primary goal of the City's economic development strategy is to attract private investment that will create quality jobs for Boston residents, especially those who are long-term unemployed, underemployed or of low or moderate income.

This effort has several components addressing both the needs of businesses and those of this target population to better match new jobs to the labor force.

Marketing and outreach efforts are geared to inform the private sector of available public assistance. Outreach will take a number of forms.

Marketing

An industrial marketing program is being developed to solicit tenants for the City's major industrial projects: the Boston Marine Industrial Park in South Boston; the Crosstown Industrial Park and the adjoining Newmarket Improvement Project in the South End/Lower Roxbury, the Alsen Mapes Industrial Park in Dorchester, as well as other projects now on the drawing board. On a broader scale, strategies will be developed to market those other industrial sectors with substantial expansion potential.

Site Inventory and Evaluation

A computerized city-wide inventory of available industrial sites will facilitate matching developer interests with suitable parcels. This system has been developed on a pilot basis in Hyde Park and will be undertaken city-wide as funds are made available.

Capital Resource Mechanisms

The City will improve its capacity to do financial packaging for the expanding high technology sector. These generally young and relatively small firms will then be better equipped to use sources of innovative development capital and assistance such as the Massachusetts Technology Development Corporation and the State's Community Development Finance Corporation. The prospect of dynamic small and medium sized firms investing in Boston will further be enhanced by a CDBG allocation to the City's Economic Development and Industrial Corporation to employ financial analysts and loan packagers.

Other economic development programs and mechanisms the City will continue to pursue include:

- 121A tax agreements: These are based on a proportion of gross project income in lieu of property taxes for appropriate development projects. An important review criterion is the quantity and quality of employment that will accrue to City residents.
- Minority Contractors Set-Aside: The City has instituted a 10% minority set-aside for all purchasing through the capital and operating budgets, plus all federal investment programs (if a higher proportion is not required). In addition, a 30% minority construction set-aside has been targeted to those areas subject to severe economic stress.
- Infrastructure improvements are targeted to those areas having the greatest potential for fostering job-creating industrial and commercial development.

Job Training

The other side of the economic development equation is labor market capability. The City's goal in this area is to give its unemployed residents the skills to secure the jobs being generated in Boston's economy and to enable underemployed residents to upgrade and expand their existing skills to rise in the labor market. The City's Employment and Economic Policy Administration (EEPA) coordinates its job training programs closely with the City's overall economic development efforts. Training programs are designed to accommodate the needs of private employers through close contact between EEPA outreach personnel and businesses.

For example, the Skill Training Improvement Program teaches technical skills for high-wage growth-sector jobs. In addition, the City has assured that City residents tangibly benefit from the leasing of a major Crosstown Industrial Park parcel by developing an agreement with the Digital Equipment Corporation to give Boston residents preference in hiring. Digital has also arranged for a comprehensive training program through the Opportunities Industrialization Center of Greater Boston.

Community-Based Development Organizations

Neighborhood-based economic development is another dimension of the City's economic development strategy and is handled principally through community-based development organizations (CBDO's), with technical assistance from the City. Increasingly, CBDO's are being provided with seed money for staff, administrative expenses and projects through the Community Development Block Grant. This trend will continue as more CBDO's demonstrate the capacity to undertake neighborhood-based planning and development.

The CBDO's role in the City's economic development strategy focuses on job creation, housing and substitution of costly essential goods and services now purchased outside the City at inflated prices. A variety of resources at the neighborhood level can be tapped by CBDO's to accomplish these objectives.

COMMERCIAL DEVELOPMENT

The City's Neighborhood Commercial Development Strategy has three primary components:

(1) Ongoing Support Services and Improvements -- The City will continue to provide the following support services to neighborhood commercial areas:

- Restore Program (storefront improvement rebates and design assistance);
- Mounted and foot patrols;
- Organizational and technical assistance through Neighborhood Business Specialist-Planners;
- Public improvements and physical design amenities (sidewalks, parking facilities, street furnishings);
- Marketing and promotion assistance (posters, calendars, retail space marketing brochures, vacancy coordination, advertising and sales promotion assistance, street festivals);
- Business Information Centers (selected business districts will receive CETA-funded Business Information Center Coordinators to assist merchants with business planning, merchandising, and financing).

(2) Phase I Development Analysis -- To justify more intensive public investment in commercial areas, a thorough analysis of commercial development potential is being undertaken in each area, to identify major development problems, measure consumer demand for additional goods and services, develop architectural design concepts, and determine needed public investments to encourage and support private rehabilitation and development activities.

(3) Phase II Development Program -- To encourage new commercial investment, publicly assisted private financing tools are being designed and applied. These tools include:

- Low-Interest and LDC loans: The City will inject interest-free and low-interest loans into private lending packages, provided that loans will be used to rehabilitate and build business properties. City loans will also be packaged with U.S. Small Business Administration loans and loan guarantees to facilitate long-term financing. Loan-packaging, financial analysis, and professional design assistance will also be offered.

- Commercial Area Revitalization District Revenue Bonds; The City will utilize its tax-free borrowing powers to issue revenue bonds on behalf of private investors for rehabilitation or building commercial structures.

- Blue Hill Avenue UDAG Program: The Grove Hall and Dudley Station commercial districts will make use of rehabilitation rebates, low-interest loans, and extensive private bank commitments for intensive retail development over a three-year period.

- Education: The City will inform businesses of other financial incentives -- such as Federal investment tax credits for rehabilitation of older commercial buildings and Massachusetts Urban Job Incentive Tax Credits -- to further improve financing packages. The City will also make available extensive and detailed market data to assist investment decision-making.

INTRODUCTION & SUMMARY

III. CEDS SUMMARY

III.A. THE CITY'S MAJOR PROBLEMS RELATED TO ECONOMIC DEVELOPMENT

Boston's economic base has undergone considerable change over the last 25 years. Once a manufacturing center, Boston has shifted to greater specialization in services. Boston is a regional center for services, a position which has fostered the continued growth and importance of services to Boston's economy.

The growth in the services sector, up until the 1970's, had traditionally offset Boston's long-term losses in manufacturing, trade and construction. The recessions of 1971-72 and 1974-75 impacted Boston severely on all employment fronts and contributed to the loss of 58,000 jobs between 1970 and 1977. These losses more than wiped out the gains made during the 1960's and today, Boston has 20,000 fewer jobs than in 1960.

The effects of job losses and the shift to specialization in services have contributed to the multi-faceted problems facing Boston today:

- Boston's unemployment rate of 12.8% (April, 1977 estimate) is twice the national average and nearly a three-fold increase over 1970 when unemployment was 4.3%. Hardest hit groups are those aged 18-24, those with manual skills, and the Black and Hispanic Boston work force. Roxbury has the largest share of the unemployed (12.6%).
- Boston residents have captured a decreasing proportion of jobs in the City, lowered from 48% in 1960 to 38% in 1977. The rising employment sectors, particularly services, provide jobs in increasing proportions to commuters from the suburbs and outside the

SMSA. These commuters have the skills and education to out-compete Boston's displaced blue collar workers, who are now seeking jobs in the expanding economic sectors without the requisite skills.

- The low per capita income level in Boston (\$5,570 in 1975) is in part attributable to unemployment, but also to the low-wage jobs held by Boston workers. While some portion of the resident work force has migrated from the lost blue collar jobs to the growing service sector, the employment background of these City residents justifies speculation that they hold the relatively lower-wage occupations in this sector.

Based on these problems alone, it is clear that Boston's primary need is to increase the number and quality of jobs available to its work force. The corollary, however, is not that the City should abandon its efforts to encourage the growth of services and other expanding white collar job opportunities. On the contrary, building on and fostering the strengths of these sectors will be critical to the City's economic growth and to anchoring existing investment in the City. In addition, however, concerted public initiatives must be launched to diversify and stabilize the City's economic base in order to increase the quality job opportunities for Boston residents and to upgrade the skills of the labor force in order to capture the job opportunities created.

Other aspects of the problems facing the City are that income and unemployment problems do not stand in isolation of City concerns regarding its economic base and the quality of life in its neighborhoods. Boston is still suffering from the population loss experienced up to

1970 which contributed to housing deterioration and abandonment in Boston's older neighborhoods, and the decline of neighborhood commercial centers. Low incomes translate into less investment in housing, less local purchasing power, and contribute to rising inner-city problems of crime, deterioration and private sector disinvestment. The results are evident insofar as large segments of vacant or under-utilized land and buildings in commercial, industrial and residential areas of the City await reuse initiatives.

In addition, the property tax, the City's sole revenue source, is overconstrained by increasing demands for public improvements and services. In fiscal terms, Boston has not benefited from its own economic growth. Although property tax revenues have increased, they have absorbed a declining share of the City's gross product originating. The property tax has not reflected the City's economic growth, in part because property wealth has not risen commensurately. The loss of manufacturing has been replaced by a thriving service sector, which has required less capital investment per worker; and because the lifeblood of the property tax is capital investment, it has been relatively unresponsive to the service sector growth. The problem is exacerbated by the City's support of tax-exempt properties.

The substantial public investment required to leverage private investment far exceeds the City's available resources. Nonetheless, with the assistance of federal and state dollars in combination with the City's continuing fiscal management strategy, the City has been able to achieve \$1.25 billion in combined public and private investment in 1975, compared to \$600 million in 1960 (constant dollars). These investments have laid much of the groundwork for the City's development potential.

III.B. THE CITY'S MAJOR POTENTIAL FOR ECONOMIC DEVELOPMENT

Among the City's strengths is the pivotal role Boston plays in the economies of the metropolitan region and the state. Boston, as described in the preceding Part II.A., is a center for cultural, transportation, government, education, finance/insurance/real estate and many other services. Continued growth in the broad services sector is vital to the City's long-term economic health; on-going development programs and projects have aimed at anchoring and fostering that growth.

The potential for industrial development in Boston must be strategically cultivated. Recent gains in manufacturing employment indicate the prospects for future growth. Twelve of the City's nineteen manufacturing sectors experienced recent gains and included those paying above average wages. This advance has demonstrated that high wages, growth and a good competitive posture are possible in Boston and confirmed growth trends for three industries -- fabricated metals, instruments, and transportation equipment -- which have shown sustained growth since 1972. Two of these industries evidence the impact of the City-sponsored Boston Marine Industrial Park while the third reflects the City's role as incubator for new technology firms.

The Boston economy is today poised to diversify its manufacturing activity. For example, expansion is planned for the transportation and the computer equipment industries. This diversity supports a strategy of maintaining a broad-based economy. By complementing the printing, apparel and food industries, these new industries will ensure a broad range of job opportunities for residents of Boston. This manufacturing diversity is encouraged by Boston having wages that are competitive with other urban centers. This is true of both wage levels and wage

increases. At the same time, Boston's manufacturing sector pays above average wages among the City's industries as a whole. Boston can further support vigorous manufacturing activity because one-third of its labor force is distributed in occupations required by manufacturers. The availability of the labor force for new manufacturing activity in Boston is indicated by the City's unemployment rate. Boston's existing and potential new firms must receive concerted, increased City attention toward meeting their location, expansion or other needs, if the City is to ensure their Boston location and provision of jobs to City residents.

Overall, the City's potential is indicated by a recent survey which revealed some \$5 billion of private developer proposals and public sector projects in the advanced planning stage. Compared to last decade's investment focus on downtown office structures, neighborhood improvements, and medical and higher education facilities, the new projects focus on public transit, port improvements and harbor-related facilities, industrial development, retail and hotel investment. Neighborhood improvements continue at high levels.

Many of the proposals cannot proceed without public investment in required infrastructure, estimated at the time of the survey at \$500 million. With fiscal austerity, the City has reduced its public improvements program and FY '78 tax rates were held at 1977 levels. State surplus revenues distribution, enacted in July, 1978, will be of considerable assistance to the City, particularly as the legislation is designed to address the needs of the older, larger urban areas in Massachusetts. Tax reform remains a fundamental need and the next few years will see an intensified effort to enable the generation of new revenue sources for Boston.

The Boston Plan, launched in 1977, was designed during these times of fiscal austerity to channel public investment for maximum leveraging of private investment. The Plan's four areas -- Blue Hill Avenue, Boston Harbor, Columbia Point, and Hyde Park -- have been targeted for testing new City initiatives in planning and coordinating development strategies for housing, transportation, energy, commercial and industrial development, as well as human services and manpower training. CEDS is providing support to that effort along with a City-wide context for economic development strategies.

III.C. THE CEDS GOALS AND POLICY PRIORITIES

The following CEDS goals are based on the problems and potentials of the City related to economic development:

1. Increase the number and quality of jobs for Boston residents in order to reduce unemployment and increase real income.
2. Induce and encourage the growth and diversification of Boston's economic base.
3. Strengthen the City's tax base in order to increase City revenues for providing improvements and services, while at the same time, reduce the City's dependence on the local property tax and continue a well-managed fiscal strategy.
4. Target infrastructure improvements to those areas having the greatest potential for fostering job-creating industrial and commercial development.
5. Promote and preserve the stability of neighborhoods as places to live and do business.

For each goal, specific statements are proposed (cf. Section 4). In turn, these policy statements provide for program strategies. Based upon the CEDS goals, they reflect new directions for City efforts, while continuing the City's commitment to implement the Boston Plan and overall neighborhood and City-wide revitalization programs.

The economic development policy commitments of the City are focused on both priority areas and sectors. The priority areas include those of the Boston Plan -- Boston Harbor, Blue Hill Avenue, Columbia Point, and Hyde Park -- and on-going project commitments. Other areas, however, are not precluded from attention; areas offering considerable development potential and benefits will be among those considered for priority status in terms of specific projects.

The priority sectors comprise the manufacturing industries, particularly those offering job opportunities at higher-wage levels to the Boston resident work force and representing an expansion and diversification of the City's economic base. The City, however, continues its concern for the broadly-defined services industries, as this is the sector which will continue to strengthen Boston as the center for the region, whose investments will continue to revitalize its downtown core as well as its neighborhoods, and, with property tax reform, whose revenues will contribute to the long-term economic well-being of the City. In all cases, a determination of sector priorities will focus on the specific project being considered. Particular attention will be paid to the extent of positive quantifiable impact on target population groups (minorities, young adults, and others among the unemployed and underemployed) in terms of employment, income, or improvement of the neighborhood.

III.D. THE CEDS PROGRAM ACTIVITIES AND PROJECTS

The program strategies that are detailed in Sections 4 and 5 can be grouped for purposes of this summary as "institutional program activities" and as "specific projects." Institutional program activities

are those that call for a re-shaping of City programs that deliver economic development-related services to Boston's businesses and to Boston residents, short of direct public investment. Specific projects are those that call for direct public investment in one or more components of an overall economic development effort.

CEDS Institutional Program Activities

Many of the economic development program activities represent a continuation of existing City programs, while others constitute new activities and program directions. The latter require improved coordination among City staff, new funding commitments, and in some cases, new program tools. New City programs reflect the priority for stepping up efforts to stimulate the location and retention of job-creating firms which provide jobs to Boston's work force, particularly those enterprises paying above-average wages. Concurrently, intensified efforts are focusing on neighborhood and downtown revitalization strategies to sustain the momentum generated by past and on-going programs and public investment projects and commitments.

New programs designed to build the City's capacity for delivering development assistance to specific firms and areas toward the objective of matching City resources with needs for job creation and retention include:

- City-wide Commercial and Industrial Site Inventory. Already demonstrated on a pilot basis in Hyde Park, the Site Inventory will be expanded City-wide to enable the matching of developer interest with suitable parcels and increase the City's capacity to promote and guide development more effectively to meet City goals.

- Industrial and Commercial Marketing. Industrial marketing would expand the City's outreach and promotional efforts to serve priority development areas and dovetail with the entire development process. Commercial marketing at the neighborhood scale serves neighborhood commercial centers and is designed to increase the investment confidence of existing as well as potential investors and to inform businesses of available resources to meet their needs.
- Capital Resource Mechanisms. This effort includes increasing the City's capacity to facilitate development by expanding the use of financing tools at the local, state, and federal level. City staff will make appropriate referrals to capital tools and where appropriate provide "packaging" assistance. The City's industrial revenue bond program will be expanded.

Another new program works in conjunction with the foregoing elements. It is the Neighborhood Business Revitalization Program with its two-pronged focus: City-wide industrial development and targeted commercial development. Boston is a demonstration city for this new program sponsored by the Small Business Administration in cooperation with the Economic Development Administration and the Department of Housing and Urban Development. A City-wide local development corporation will be established to channel SBA loans to eligible industrial firms throughout the City. Targeted neighborhoods -- initially, Grove Hall and Dudley Station in the Blue Hill Avenue area -- will receive increased priority for SBA financing to promote commercial center revitalization. This latter component dovetails with a recently awarded UDAG for commercial revitalization programs in the Blue Hill Avenue area.

Manpower and Job Training Programs focus on direct job creation and overcoming barriers to employment and are coordinated closely with industrial expansion and other economic development projects. A new thrust has been the Private Sector Initiatives Program, developed as a public/private partnership to enable the design of training programs appropriate to private sector needs. Components of this wide-ranging program include the proposed Job Service Matching System, Pre-employment Seminars, expanded On-the-Job Training programs, and skill training improvement programs in higher-wage, high growth industrial occupations. New proposed training programs are also attempting to meet the needs of target population groups. Skills and job recruitment centers are an on-going major element of manpower development. Considerable effort has already been expended in developing the center at the BMIP; a current priority is to obtain funds for the center facility at the Crosstown Industrial Park (CTIP) to house training programs for area residents, particularly prospective employees of the new Digital Equipment Corporation facility at CTIP.

Specific Projects

Programs and projects outlined in the CEDS program are generally of three levels:

- (1) immediate priorities of the City in terms of continuing or expanding existing economic development programs and building upon past public and private investment.
- (2) preliminary program directions and project activities which will be subjected to more detailed analyses and thorough community review and review by the CEDS Committee.

(3) potential longer-term new program directions and project opportunities requiring further study and project development as well as more detailed analyses and thorough community review and review by the CEDS Committee.

The projects are those recommended by agencies in the City directly concerned with economic development. They were grouped as industrial projects, neighborhood projects and special or mixed use projects and subjected to preliminary assessment according to suitable criteria based on CEDS goals, policies and program strategies.

The preliminary assessment has resulted in the three groups of proposed projects outlined in the following tables. They are preliminary in the sense that, following thorough review by the CEDS Committee, these priorities may be altered.

CEDS PROGRAM
PRIORITY ECONOMIC DEVELOPMENT PROJECTS

GROUP 1:

Project	Use	Size (Acres)	Project Cost (in million of \$)		Job Creation Permanent	Temporary	Phasing	
			Public	Private			Year 1	Year 2
INDUSTRIAL PROJECTS								
A. South Boston Industrial Area								
1. BIMP	Industrial	(102 total	5.4	Undet.	(1,500 total Project area)	(330 total Project area)	x ⁽¹⁾	
2. BIMP	Industrial	project area)	3.6	Undet.			x	
3. BIMP	Industrial		6.6	Undet.				x
B. Blue Hill Avenue								
1. Crosstown (CIMP) Parcel 2	Industrial	8.5	3.4	4.7	300	109	x ⁽¹⁾	x
2. Crosstown (CIMP) Parcel 3	Industrial	20.0	5.7	Undet.	500	250	x ⁽¹⁾	x
C. Hyde Park								
1. Wolcott Court Industrial Area	Industrial	22.0	6.9	10.8	650+	450	x ⁽¹⁾	x
2. River St./Reservation Road Industrial Area	Industrial	5.5	4.7	6.0	450	250	x ⁽¹⁾	x
D. City-wide								
1. Industrial Developments (Industrial IDC and local CDC's)	Industrial		Undet.	Undet.	Undet.	Undet.	x ⁽¹⁾	x ⁽¹⁾

FROM CEDS 4 - September, 1978
PRELIMINARY GOALS, POLICIES AND PROGRAM STRATEGIES FOR
ECONOMIC DEVELOPMENT

GOAL 1 -- JOBS AND INCOME

INCREASE THE NUMBER AND QUALITY OF JOBS FOR BOSTON RESIDENTS
IN ORDER TO REDUCE UNEMPLOYMENT AND INCREASE REAL INCOME.

POLICY 1

INCREASE THE JOB CAPTURE RATE OF BOSTON'S RESIDENT
LABOR FORCE BY ASSISTING RESIDENTS IN GAINING ACCESS
TO NEW JOBS IN BOSTON.

PROGRAM STRATEGIES

Publicize and improve information about hiring policies and job
openings of firms receiving development assistance.

Target training programs to areas and population groups with
high unemployment rates.

Expand efforts to work with the private sector in developing
and designing training programs.

Encourage job-creating development in the neighborhoods
where appropriate.

POLICY 2

PROMOTE PRIVATE INVESTMENT CREATING JOBS ACCESSIBLE
BY BOSTON'S LABOR FORCE.

PROGRAM STRATEGIES

Development assistance preference for job-creating firms
which locate in areas accessible to the most distressed population
and for firms which create jobs appropriate for such a labor
force.

Assist the expansion of existing firms to retain or increase
the number of jobs in Boston.

Development assistance preference for job-creating firms
agreeing to give hiring preference for Boston residents.

POLICY 3

PROMOTE PRIVATE INVESTMENT WHICH WILL CREATE HIGHER PAYING JOBS FOR BOSTON RESIDENTS.

PROGRAM STRATEGIES

Provide development assistance to job-creating firms paying appropriate jobs higher than average wages.

Continue to develop better communication between manufacturing firms and the City regarding their needs for expansion or location or other assistance.

POLICY 4

INCREASE THE ACCESS OF UNDEREMPLOYED AND UNEMPLOYED RESIDENTS TO HIGHER-PAYING JOBS THROUGH TRAINING PROGRAMS.

PROGRAM STRATEGIES

Upgrade the skills of the labor force to meet higher-paying job requirements in all sectors.

Promote, using training programs, early labor force entry of minorities to increase their job experience and skills.

GOAL 2 -- ECONOMIC BASE

INDUCE AND ENCOURAGE THE GROWTH AND DIVERSIFICATION OF BOSTON'S ECONOMIC BASE.

POLICY 5

RETAIN MANUFACTURING FIRMS IN THE CITY BY DEVELOPING PROGRAMS TO MEET THEIR NEEDS.

PROGRAM STRATEGIES

Intensify City outreach efforts to identify the needs of manufacturing firms.

Coordinate available and potential resources from the local, state and federal level, as well as the private sector to respond to the needs of appropriate firms.

Develop and implement programs designed to improve the City's image as a place to do business.

POLICY 6

PROMOTE A DIVERSIFIED ECONOMY AND TARGET GROWTH WITHIN THE MANUFACTURING SECTOR TO MAINTAIN A BROAD-BASED ECONOMY AND TO EMPLOY THE LABOR FORCE AVAILABLE FOR SKILLED AND SEMI-SKILLED INDUSTRIAL OCCUPATIONS.

PROGRAM STRATEGY

Intensify City assistance and promotional efforts for manufacturing growth industries employing skilled and semi-skilled workers.

POLICY 7

PROMOTE THE DEVELOPMENT OF INDUSTRIAL AREAS TO MEET THE NEEDS OF FIRMS EXPANDING OR LOCATING IN BOSTON.

PROGRAM STRATEGIES

Identify and evaluate available sites for industrial development potential and match sites with the needs of firms.

Market sites to potential firms

POLICY 8

PROMOTE THE EXPANSION AND LOCATION OF EXPORT-PRODUCING INDUSTRIES WHICH CAN CAPITALIZE ON THE CITY'S RESOURCES INCLUDING THE HARBOR AND THE AVAILABLE LABOR FORCE.

PROGRAM STRATEGIES

Continue to implement the export stimulation program.

Develop the Foreign Trade Zone.

Expand opportunities for Boston's containerport shipping.

POLICY 9

PROMOTE THE DEVELOPMENT OF HIGH TECHNOLOGY INDUSTRIES.

PROGRAM STRATEGIES

Where appropriate, intensify efforts to develop "incubator" space for high technology industries, capturing the reservoir of labor talent available in and near Boston.

Support and assist public and private efforts to increase the availability of financing and venture capital to growing high technology firms.

POLICY 10

PROMOTE AN INCREASED LEVEL OF PRIVATE INVESTMENT IN THE CITY FOR NEW CONSTRUCTION, REHABILITATION AND EXPANSION.

PROGRAM STRATEGIES

Use City resources to leverage private investment in both the short- and long-term.

Promote the use of available state and federal financing incentives and tools; provide staff technical assistance in their utilization.

Encourage new construction as well as the rehabilitation of existing, underutilized structures and the maintenance of older structures.

POLICY 11

PROMOTE INCREASED PRIVATE INVESTMENT IN ENTERPRISES BY UTILIZING THE FULL RANGE OF CAPITAL RESOURCES AVAILABLE TO THE CITY.

PROGRAM STRATEGIES

Expand the use of industrial revenue bonds by eligible industrial and commercial firms.

Stimulate private investment through expanded use of programs such as SBA loan guarantees or direct participation and state financing programs.

Intensify efforts to work with the City's financial community to identify and overcome hindrances to investment.

POLICY 12

CONTINUE TO FOSTER THE EXPANSION OF SERVICE INDUSTRIES, WHERE APPROPRIATE, AS A MAJOR GROWTH SECTOR CREATING JOBS IN THE CITY AND STIMULATING REVITALIZATION OF THE DOWNTOWN ECONOMY.

PROGRAM STRATEGIES

Use appropriate City and other public programs to spur service sector expansion, particularly where development is consistent with the City's major goals.

Promote the expansion of service sector sub-industries which are particularly appropriate to Boston as the primary provider of services to the region. One such example constitutes cultural enterprises.

GOAL 3 -- TAX BASE

STRENGTHEN THE CITY'S TAX BASE IN ORDER TO INCREASE CITY REVENUES FOR PROVIDING IMPROVEMENTS AND SERVICES, WHILE AT THE SAME TIME, REDUCE THE CITY'S DEPENDENCE ON THE LOCAL PROPERTY TAX AND CONTINUE A WELL-MANAGED FISCAL STRATEGY.

POLICY 13

SEEK VIA STATE LEGISLATION, THE ESTABLISHMENT OF MORE DIVERSIFIED REVENUE SOURCES (INCOME, SALES, HOTEL OCCUPANCY).

PROGRAM STRATEGIES

Work to achieve property tax reform at the State level.

Short of property tax reform, seek fiscal solutions such as urban-oriented state revenue surplus distributions and expanded state revenue sharing.

POLICY 14

REDUCE THE TAX BURDEN ON OLDER COMMERCIAL PROPERTIES RELATIVE TO NEW DEVELOPMENTS TO ENCOURAGE THEIR EXPANSION AND REHABILITATION.

PROGRAM STRATEGY

Attempt to reduce tax disparities between old and new commercial development by updating assessments to reflect fair market value (consideration for age and condition).

POLICY 15

BETTER MONITOR THE USE OF CHAPTER 121A TAX AGREEMENTS AS A MEANS OF ENCOURAGING NEW JOB-CREATING INVESTMENT, IN THE CONTEXT OF CITY SERVICE COSTS AND FAIR TAX BENEFIT RETURN.

POLICY 16

DEVELOP SUITABLE SITES FOR TAX-GENERATING USES.

PROGRAM STRATEGIES

Significant tax benefits from a site's development will be a major factor in assessing City priority for development assistance.

Tax-exempt institutional development must avoid absorbing property now yielding taxes and minimize erosion of the tax base through maximum efficiency in use of land and facilities, tax-exempt institutions will be encouraged to enter into joint development with tax-paying uses.

POLICY 17

SECURE PAYMENTS IN LIEU OF TAXES FROM TAX-EXEMPT INSTITUTIONS AS A CONDITION FOR THEIR EXPANSION.

PROGRAM STRATEGY

Tax-exempt institutions should either make payments in lieu of taxes or provide comparable services in lieu of taxes, or both, as may be appropriate, as part of any development proposals.

POLICY 18

CONTINUE TO ATTRACT NEW RESIDENTS TO THE CITY TO INVEST IN HOUSING, ETC., WHILE STILL FOCUSING ON THE NEEDS OF THE CITY'S EXISTING RESIDENTS.

PROGRAM STRATEGY

Promote revitalization of City neighborhoods with consideration for the needs of existing residents and accommodating and stimulating the new investments.

GOAL 4 -- INFRASTRUCTURE

TARGET INFRASTRUCTURE IMPROVEMENTS TO THOSE AREAS HAVING THE GREATEST POTENTIAL FOR FOSTERING JOB-CREATING INDUSTRIAL AND COMMERCIAL DEVELOPMENT.

POLICY 19

IMPROVE THE DECISION-MAKING PROCESS REGARDING CITY PUBLIC INFRASTRUCTURE IMPROVEMENTS.

PROGRAM STRATEGY

Weigh the costs and benefits of infrastructure improvements on a case by case basis to assess the short- and long-term economic benefits, particularly where infrastructure substantially precedes the economic development of an area.

POLICY 20

PROMOTE NEW AND IMPROVED USES OF TRUCK, RAIL AND PORT ACCESS TO FOSTER JOB-CREATING DEVELOPMENT.

PROGRAM STRATEGIES

Better our understanding of the costs and methods of the movement of goods.

Development and planning should focus on existing and potential transportation linkages.

POLICY 21

PROMOTE FULLER UTILIZATION OF EXISTING INFRASTRUCTURE, WHERE APPROPRIATE.

PROGRAM STRATEGY

Develop vacant, underutilized sites already appropriate for development.

GOAL 5 -- NEIGHBORHOOD STABILIZATION

PROMOTE AND PRESERVE THE STABILITY OF NEIGHBORHOODS
AS PLACES TO LIVE AND DO BUSINESS.

POLICY 22

REVITALIZE NEIGHBORHOOD COMMERCIAL DISTRICTS.

PROGRAM STRATEGY

Encourage improvements to neighborhood commercial districts with concerted efforts to insure their physical and economic viability.

POLICY 23

PROMOTE LAND USES WHICH ARE COMPATIBLE AND PRESERVE OR STENGTHEN THE QUALITY OF THE NEIGHBORHOOD.

PROGRAM STRATEGY

Examine the inter-relationship and compatibility of uses in the planning stages and evaluate the extent to which such uses meet overall goals of neighborhood revitalization.

POLICY 24

ENCOURAGE HOUSING REINVESTMENT AND MAINTENANCE.

PROGRAM STRATEGY

Direct planning and development efforts to support the viability of neighborhoods and resident confidence in their future.

III. CEDS SUMMARY

III.A. THE CITY'S MAJOR PROBLEMS RELATED TO ECONOMIC DEVELOPMENT

Boston's economic base has undergone considerable change over the last 25 years. Once a manufacturing center, Boston has shifted to greater specialization in services. Boston is a regional center for services, a position which has fostered the continued growth and importance of services to Boston's economy.

The growth in the services sector, up until the 1970's, had traditionally offset Boston's long-term losses in manufacturing, trade and construction. The recessions of 1971-72 and 1974-75 impacted Boston severely on all employment fronts and contributed to the loss of 58,000 jobs between 1970 and 1977. These losses more than wiped out the gains made during the 1960's and today, Boston has 20,000 fewer jobs than in 1960.

The effects of job losses and the shift to specialization in services have contributed to the multi-faceted problems facing Boston today:

- Boston's unemployment rate of 12.8% (April, 1977 estimate) is twice the national average and nearly a three-fold increase over 1970 when unemployment was 4.3%. Hardest hit groups are those aged 18-24, those with manual skills, and the Black and Hispanic Boston work force. Roxbury has the largest share of the unemployed (12.6%).
- Boston residents have captured a decreasing proportion of jobs in the City, lowered from 48% in 1960 to 38% in 1977. The rising employment sectors, particularly services, provide jobs in increasing proportions to commuters from the suburbs and outside the

SMSA. These commuters have the skills and education to out-compete Boston's displaced blue collar workers, who are now seeking jobs in the expanding economic sectors without the requisite skills.

- The low per capita income level in Boston (\$5,570 in 1975) is in part attributable to unemployment, but also to the low-wage jobs held by Boston workers. While some portion of the resident work force has migrated from the lost blue collar jobs to the growing service sector, the employment background of these City residents justifies speculation that they hold the relatively lower-wage occupations in this sector.

Based on these problems alone, it is clear that Boston's primary need is to increase the number and quality of jobs available to its work force. The corollary, however, is not that the City should abandon its efforts to encourage the growth of services and other expanding white collar job opportunities. On the contrary, building on and fostering the strengths of these sectors will be critical to the City's economic growth and to anchoring existing investment in the City. In addition, however, concerted public initiatives must be launched to diversify and stabilize the City's economic base in order to increase the quality job opportunities for Boston residents and to upgrade the skills of the labor force in order to capture the job opportunities created.

Other aspects of the problems facing the City are that income and unemployment problems do not stand in isolation of City concerns regarding its economic base and the quality of life in its neighborhoods. Boston is still suffering from the population loss experienced up to

1970 which contributed to housing deterioration and abandonment in Boston's older neighborhoods, and the decline of neighborhood commercial centers. Low incomes translate into less investment in housing, less local purchasing power, and contribute to rising inner-city problems of crime, deterioration and private sector disinvestment. The results are evident insofar as large segments of vacant or under-utilized land and buildings in commercial, industrial and residential areas of the City await reuse initiatives.

In addition, the property tax, the City's sole revenue source, is overconstrained by increasing demands for public improvements and services. In fiscal terms, Boston has not benefited from its own economic growth. Although property tax revenues have increased, they have absorbed a declining share of the City's gross product originating. The property tax has not reflected the City's economic growth, in part because property wealth has not risen commensurately. The loss of manufacturing has been replaced by a thriving service sector, which has required less capital investment per worker; and because the lifeblood of the property tax is capital investment, it has been relatively unresponsive to the service sector growth. The problem is exacerbated by the City's support of tax-exempt properties.

The substantial public investment required to leverage private investment far exceeds the City's available resources. Nonetheless, with the assistance of federal and state dollars in combination with the City's continuing fiscal management strategy, the City has been able to achieve \$1.25 billion in combined public and private investment in 1975, compared to \$600 million in 1960 (constant dollars). These investments have laid much of the groundwork for the City's development potential.

III.B. THE CITY'S MAJOR POTENTIAL FOR ECONOMIC DEVELOPMENT

Among the City's strengths is the pivotal role Boston plays in the economies of the metropolitan region and the state. Boston, as described in the preceding Part II.A., is a center for cultural, transportation, government, education, finance/insurance/real estate and many other services. Continued growth in the broad services sector is vital to the City's long-term economic health; on-going development programs and projects have aimed at anchoring and fostering that growth.

The potential for industrial development in Boston must be strategically cultivated. Recent gains in manufacturing employment indicate the prospects for future growth. Twelve of the City's nineteen manufacturing sectors experienced recent gains and included those paying above average wages. This advance has demonstrated that high wages, growth and a good competitive posture are possible in Boston and confirmed growth trends for three industries -- fabricated metals, instruments, and transportation equipment -- which have shown sustained growth since 1972. Two of these industries evidence the impact of the City-sponsored Boston Marine Industrial Park while the third reflects the City's role as incubator for new technology firms.

The Boston economy is today poised to diversify its manufacturing activity. For example, expansion is planned for the transportation and the computer equipment industries. This diversity supports a strategy of maintaining a broad-based economy. By complementing the printing, apparel and food industries, these new industries will ensure a broad range of job opportunities for residents of Boston. This manufacturing diversity is encouraged by Boston having wages that are competitive with other urban centers. This is true of both wage levels and wage

increases. At the same time, Boston's manufacturing sector pays above average wages among the City's industries as a whole. Boston can further support vigorous manufacturing activity because one-third of its labor force is distributed in occupations required by manufacturers. The availability of the labor force for new manufacturing activity in Boston is indicated by the City's unemployment rate. Boston's existing and potential new firms must receive concerted, increased City attention toward meeting their location, expansion or other needs, if the City is to ensure their Boston location and provision of jobs to City residents.

Overall, the City's potential is indicated by a recent survey which revealed some \$5 billion of private developer proposals and public sector projects in the advanced planning stage. Compared to last decade's investment focus on downtown office structures, neighborhood improvements, and medical and higher education facilities, the new projects focus on public transit, port improvements and harbor-related facilities, industrial development, retail and hotel investment. Neighborhood improvements continue at high levels.

Many of the proposals cannot proceed without public investment in required infrastructure, estimated at the time of the survey at \$500 million. With fiscal austerity, the City has reduced its public improvements program and FY '78 tax rates were held at 1977 levels. State surplus revenues distribution, enacted in July, 1978, will be of considerable assistance to the City, particularly as the legislation is designed to address the needs of the older, larger urban areas in Massachusetts. Tax reform remains a fundamental need and the next few years will see an intensified effort to enable the generation of new revenue sources for Boston.

The Boston Plan, launched in 1977, was designed during these times of fiscal austerity to channel public investment for maximum leveraging of private investment. The Plan's four areas -- Blue Hill Avenue, Boston Harbor, Columbia Point, and Hyde Park -- have been targeted for testing new City initiatives in planning and coordinating development strategies for housing, transportation, energy, commercial and industrial development, as well as human services and manpower training. CEDS is providing support to that effort along with a City-wide context for economic development strategies.

III.C. THE CEDS GOALS AND POLICY PRIORITIES

The following CEDS goals are based on the problems and potentials of the City related to economic development:

1. Increase the number and quality of jobs for Boston residents in order to reduce unemployment and increase real income.
2. Induce and encourage the growth and diversification of Boston's economic base.
3. Strengthen the City's tax base in order to increase City revenues for providing improvements and services, while at the same time, reduce the City's dependence on the local property tax and continue a well-managed fiscal strategy.
4. Target infrastructure improvements to those areas having the greatest potential for fostering job-creating industrial and commercial development.
5. Promote and preserve the stability of neighborhoods as places to live and do business.

For each goal, specific statements are proposed (cf. Section 4). In turn, these policy statements provide for program strategies. Based upon the CEDS goals, they reflect new directions for City efforts, while continuing the City's commitment to implement the Boston Plan and overall neighborhood and City-wide revitalization programs.

The economic development policy commitments of the City are focused on both priority areas and sectors. The priority areas include those of the Boston Plan -- Boston Harbor, Blue Hill Avenue, Columbia Point, and Hyde Park -- and on-going project commitments. Other areas, however, are not precluded from attention; areas offering considerable development potential and benefits will be among those considered for priority status in terms of specific projects.

The priority sectors comprise the manufacturing industries, particularly those offering job opportunities at higher-wage levels to the Boston resident work force and representing an expansion and diversification of the City's economic base. The City, however, continues its concern for the broadly-defined services industries, as this is the sector which will continue to strengthen Boston as the center for the region, whose investments will continue to revitalize its downtown core as well as its neighborhoods, and, with property tax reform, whose revenues will contribute to the long-term economic well-being of the City. In all cases, a determination of sector priorities will focus on the specific project being considered. Particular attention will be paid to the extent of positive quantifiable impact on target population groups (minorities, young adults, and others among the unemployed and underemployed) in terms of employment, income, or improvement of the neighborhood.

III.D. THE CEDS PROGRAM ACTIVITIES AND PROJECTS

The program strategies that are detailed in Sections 4 and 5 can be grouped for purposes of this summary as "institutional program activities" and as "specific projects." Institutional program activities

are those that call for a re-shaping of City programs that deliver economic development-related services to Boston's businesses and to Boston residents, short of direct public investment. Specific projects are those that call for direct public investment in one or more components of an overall economic development effort.

CEDS Institutional Program Activities

Many of the economic development program activities represent a continuation of existing City programs, while others constitute new activities and program directions. The latter require improved coordination among City staff, new funding commitments, and in some cases, new program tools. New City programs reflect the priority for stepping up efforts to stimulate the location and retention of job-creating firms which provide jobs to Boston's work force, particularly those enterprises paying above-average wages. Concurrently, intensified efforts are focusing on neighborhood and downtown revitalization strategies to sustain the momentum generated by past and on-going programs and public investment projects and commitments.

New programs designed to build the City's capacity for delivering development assistance to specific firms and areas toward the objective of matching City resources with needs for job creation and retention include:

- City-wide Commercial and Industrial Site Inventory. Already demonstrated on a pilot basis in Hyde Park, the Site Inventory will be expanded City-wide to enable the matching of developer interest with suitable parcels and increase the City's capacity to promote and guide development more effectively to meet City goals.

- Industrial and Commercial Marketing. Industrial marketing would expand the City's outreach and promotional efforts to serve priority development areas and dovetail with the entire development process. Commercial marketing at the neighborhood scale serves neighborhood commercial centers and is designed to increase the investment confidence of existing as well as potential investors and to inform businesses of available resources to meet their needs.
- Capital Resource Mechanisms. This effort includes increasing the City's capacity to facilitate development by expanding the use of financing tools at the local, state, and federal level. City staff will make appropriate referrals to capital tools and where appropriate provide "packaging" assistance. The City's industrial revenue bond program will be expanded.

Another new program works in conjunction with the foregoing elements. It is the Neighborhood Business Revitalization Program with its two-pronged focus: City-wide industrial development and targeted commercial development. Boston is a demonstration city for this new program sponsored by the Small Business Administration in cooperation with the Economic Development Administration and the Department of Housing and Urban Development. A City-wide local development corporation will be established to channel SBA loans to eligible industrial firms throughout the City. Targeted neighborhoods -- initially, Grove Hall and Dudley Station in the Blue Hill Avenue area -- will receive increased priority for SBA financing to promote commercial center revitalization. This latter component dovetails with a recently awarded UDAG for commercial revitalization programs in the Blue Hill Avenue area.

Manpower and Job Training Programs focus on direct job creation and overcoming barriers to employment and are coordinated closely with industrial expansion and other economic development projects. A new thrust has been the Private Sector Initiatives Program, developed as a public/private partnership to enable the design of training programs appropriate to private sector needs. Components of this wide-ranging program include the proposed Job Service Matching System, Pre-employment Seminars, expanded On-the-Job Training programs, and skill training improvement programs in higher-wage, high growth industrial occupations. New proposed training programs are also attempting to meet the needs of target population groups. Skills and job recruitment centers are an on-going major element of manpower development. Considerable effort has already been expended in developing the center at the BMIP; a current priority is to obtain funds for the center facility at the Crosstown Industrial Park (CTIP) to house training programs for area residents, particularly prospective employees of the new Digital Equipment Corporation facility at CTIP.

Specific Projects

Programs and projects outlined in the CEDS program are generally of three levels:

- (1) immediate priorities of the City in terms of continuing or expanding existing economic development programs and building upon past public and private investment.
- (2) preliminary program directions and project activities which will be subjected to more detailed analyses and thorough community review and review by the CEDS Committee.

(3) potential longer-term new program directions and project opportunities requiring further study and project development as well as more detailed analyses and thorough community review and review by the CEDS Committee.

The projects are those recommended by agencies in the City directly concerned with economic development. They were grouped as industrial projects, neighborhood projects and special or mixed use projects and subjected to preliminary assessment according to suitable criteria based on CEDS goals, policies and program strategies.

The preliminary assessment has resulted in the three groups of proposed projects outlined in the following tables. They are preliminary in the sense that, following thorough review by the CEDS Committee, these priorities may be altered.

GOAL 1 -- JOBS AND INCOME

INCREASE THE NUMBER AND QUALITY OF JOBS FOR BOSTON RESIDENTS
IN ORDER TO REDUCE UNEMPLOYMENT AND INCREASE REAL INCOME.

POLICY 1

INCREASE THE JOB CAPTURE RATE OF BOSTON'S RESIDENT
LABOR FORCE BY ASSISTING RESIDENTS IN GAINING ACCESS
TO NEW JOBS IN BOSTON.

PROGRAM STRATEGIES

Publicize and improve information about hiring policies and job
openings of firms receiving development assistance.

Target training programs to areas and population groups with
high unemployment rates.

Expand efforts to work with the private sector in developing
and designing training programs.

Encourage job-creating development in the neighborhoods
where appropriate.

POLICY 2

PROMOTE PRIVATE INVESTMENT CREATING JOBS ACCESSIBLE
BY BOSTON'S LABOR FORCE.

PROGRAM STRATEGIES

Development assistance preference for job-creating firms
which locate in areas accessible to the most distressed population
and for firms which create jobs appropriate for such a labor
force.

Assist the expansion of existing firms to retain or increase
the number of jobs in Boston.

Development assistance preference for job-creating firms
agreeing to give hiring preference for Boston residents.

POLICY 3

PROMOTE PRIVATE INVESTMENT WHICH WILL CREATE HIGHER PAYING JOBS FOR BOSTON RESIDENTS.

PROGRAM STRATEGIES

Provide development assistance to job-creating firms paying appropriate jobs higher than average wages.

Continue to develop better communication between manufacturing firms and the City regarding their needs for expansion or location or other assistance.

POLICY 4

INCREASE THE ACCESS OF UNDEREMPLOYED AND UNEMPLOYED RESIDENTS TO HIGHER-PAYING JOBS THROUGH TRAINING PROGRAMS.

PROGRAM STRATEGIES

Upgrade the skills of the labor force to meet higher-paying job requirements in all sectors.

Promote, using training programs, early labor force entry of minorities to increase their job experience and skills.

GOAL 2 -- ECONOMIC BASE

INDUCE AND ENCOURAGE THE GROWTH AND DIVERSIFICATION OF BOSTON'S ECONOMIC BASE.

POLICY 5

RETAIN MANUFACTURING FIRMS IN THE CITY BY DEVELOPING PROGRAMS TO MEET THEIR NEEDS.

PROGRAM STRATEGIES

Intensify City outreach efforts to identify the needs of manufacturing firms.

Coordinate available and potential resources from the local, state and federal level, as well as the private sector to respond to the needs of appropriate firms.

Develop and implement programs designed to improve the City's image as a place to do business.

POLICY 6

PROMOTE A DIVERSIFIED ECONOMY AND TARGET GROWTH WITHIN THE MANUFACTURING SECTOR TO MAINTAIN A BROAD-BASED ECONOMY AND TO EMPLOY THE LABOR FORCE AVAILABLE FOR SKILLED AND SEMI-SKILLED INDUSTRIAL OCCUPATIONS.

PROGRAM STRATEGY

Intensify City assistance and promotional efforts for manufacturing growth industries employing skilled and semi-skilled workers.

POLICY 7

PROMOTE THE DEVELOPMENT OF INDUSTRIAL AREAS TO MEET THE NEEDS OF FIRMS EXPANDING OR LOCATING IN BOSTON.

PROGRAM STRATEGIES

Identify and evaluate available sites for industrial development potential and match sites with the needs of firms.

Market sites to potential firms

POLICY 8

PROMOTE THE EXPANSION AND LOCATION OF EXPORT-PRODUCING INDUSTRIES WHICH CAN CAPITALIZE ON THE CITY'S RESOURCES INCLUDING THE HARBOR AND THE AVAILABLE LABOR FORCE.

PROGRAM STRATEGIES

Continue to implement the export stimulation program.

Develop the Foreign Trade Zone.

Expand opportunities for Boston's containerport shipping.

POLICY 9

PROMOTE THE DEVELOPMENT OF HIGH TECHNOLOGY INDUSTRIES.

PROGRAM STRATEGIES

Where appropriate, intensify efforts to develop "incubator" space for high technology industries, capturing the reservoir of labor talent available in and near Boston.

Support and assist public and private efforts to increase the availability of financing and venture capital to growing high technology firms.

POLICY 10

PROMOTE AN INCREASED LEVEL OF PRIVATE INVESTMENT IN THE CITY FOR NEW CONSTRUCTION, REHABILITATION AND EXPANSION.

PROGRAM STRATEGIES

Use City resources to leverage private investment in both the short- and long-term.

Promote the use of available state and federal financing incentives and tools; provide staff technical assistance in their utilization.

Encourage new construction as well as the rehabilitation of existing, underutilized structures and the maintenance of older structures.

POLICY 11

PROMOTE INCREASED PRIVATE INVESTMENT IN ENTERPRISES BY UTILIZING THE FULL RANGE OF CAPITAL RESOURCES AVAILABLE TO THE CITY.

PROGRAM STRATEGIES

Expand the use of industrial revenue bonds by eligible industrial and commercial firms.

Stimulate private investment through expanded use of programs such as SBA loan guarantees or direct participation and state financing programs.

Intensify efforts to work with the City's financial community to identify and overcome hindrances to investment.

POLICY 12

CONTINUE TO FOSTER THE EXPANSION OF SERVICE INDUSTRIES, WHERE APPROPRIATE, AS A MAJOR GROWTH SECTOR CREATING JOBS IN THE CITY AND STIMULATING REVITALIZATION OF THE DOWNTOWN ECONOMY.

PROGRAM STRATEGIES

Use appropriate City and other public programs to spur service sector expansion, particularly where development is consistent with the City's major goals.

Promote the expansion of service sector sub-industries which are particularly appropriate to Boston as the primary provider of services to the region. One such example constitutes cultural enterprises.

GOAL 3 -- TAX BASE

STRENGTHEN THE CITY'S TAX BASE IN ORDER TO INCREASE CITY REVENUES FOR PROVIDING IMPROVEMENTS AND SERVICES, WHILE AT THE SAME TIME, REDUCE THE CITY'S DEPENDENCE ON THE LOCAL PROPERTY TAX AND CONTINUE A WELL-MANAGED FISCAL STRATEGY.

POLICY 13

SEEK VIA STATE LEGISLATION, THE ESTABLISHMENT OF MORE DIVERSIFIED REVENUE SOURCES (INCOME, SALES, HOTEL OCCUPANCY).

PROGRAM STRATEGIES

Work to achieve property tax reform at the State level.

Short of property tax reform, seek fiscal solutions such as urban-oriented state revenue surplus distributions and expanded state revenue sharing.

POLICY 14

REDUCE THE TAX BURDEN ON OLDER COMMERCIAL PROPERTIES RELATIVE TO NEW DEVELOPMENTS TO ENCOURAGE THEIR EXPANSION AND REHABILITATION.

PROGRAM STRATEGY

Attempt to reduce tax disparities between old and new commercial development by updating assessments to reflect fair market value (consideration for age and condition).

POLICY 15

BETTER MONITOR THE USE OF CHAPTER 121A TAX AGREEMENTS AS A MEANS OF ENCOURAGING NEW JOB-CREATING INVESTMENT, IN THE CONTEXT OF CITY SERVICE COSTS AND FAIR TAX BENEFIT RETURN.

POLICY 16

DEVELOP SUITABLE SITES FOR TAX-GENERATING USES.

PROGRAM STRATEGIES

Significant tax benefits from a site's development will be a major factor in assessing City priority for development assistance.

Tax-exempt institutional development must avoid absorbing property now yielding taxes and minimize erosion of the tax base through maximum efficiency in use of land and facilities, tax-exempt institutions will be encouraged to enter into joint development with tax-paying uses.

POLICY 17

SECURE PAYMENTS IN LIEU OF TAXES FROM TAX-EXEMPT INSTITUTIONS AS A CONDITION FOR THEIR EXPANSION.

PROGRAM STRATEGY

Tax-exempt institutions should either make payments in lieu of taxes or provide comparable services in lieu of taxes, or both, as may be appropriate, as part of any development proposals.

POLICY 18

CONTINUE TO ATTRACT NEW RESIDENTS TO THE CITY TO INVEST IN HOUSING, ETC., WHILE STILL FOCUSING ON THE NEEDS OF THE CITY'S EXISTING RESIDENTS.

PROGRAM STRATEGY

Promote revitalization of City neighborhoods with consideration for the needs of existing residents and accommodating and stimulating the new investments.

GOAL 4 -- INFRASTRUCTURE

TARGET INFRASTRUCTURE IMPROVEMENTS TO THOSE AREAS HAVING THE GREATEST POTENTIAL FOR FOSTERING JOB-CREATING INDUSTRIAL AND COMMERCIAL DEVELOPMENT.

POLICY 19

IMPROVE THE DECISION-MAKING PROCESS REGARDING CITY PUBLIC INFRASTRUCTURE IMPROVEMENTS.

PROGRAM STRATEGY

Weigh the costs and benefits of infrastructure improvements on a case by case basis to assess the short- and long-term economic benefits, particularly where infrastructure substantially precedes the economic development of an area.

POLICY 20

PROMOTE NEW AND IMPROVED USES OF TRUCK, RAIL AND PORT ACCESS TO FOSTER JOB-CREATING DEVELOPMENT.

PROGRAM STRATEGIES

Better our understanding of the costs and methods of the movement of goods.

Development and planning should focus on existing and potential transportation linkages.

POLICY 21

PROMOTE FULLER UTILIZATION OF EXISTING INFRASTRUCTURE, WHERE APPROPRIATE.

PROGRAM STRATEGY

Develop vacant, underutilized sites already appropriate for development.

GOAL 5 -- NEIGHBORHOOD STABILIZATION

PROMOTE AND PRESERVE THE STABILITY OF NEIGHBORHOODS
AS PLACES TO LIVE AND DO BUSINESS.

POLICY 22

REVITALIZE NEIGHBORHOOD COMMERCIAL DISTRICTS.

PROGRAM STRATEGY

Encourage improvements to neighborhood commercial districts with concerted efforts to insure their physical and economic viability.

POLICY 23

PROMOTE LAND USES WHICH ARE COMPATIBLE AND PRESERVE OR STENGTHEN THE QUALITY OF THE NEIGHBORHOOD.

PROGRAM STRATEGY

Examine the inter-relationship and compatibility of uses in the planning stages and evaluate the extent to which such uses meet overall goals of neighborhood revitalization.

POLICY 24

ENCOURAGE HOUSING REINVESTMENT AND MAINTENANCE.

PROGRAM STRATEGY

Direct planning and development efforts to support the viability of neighborhoods and resident confidence in their future.